

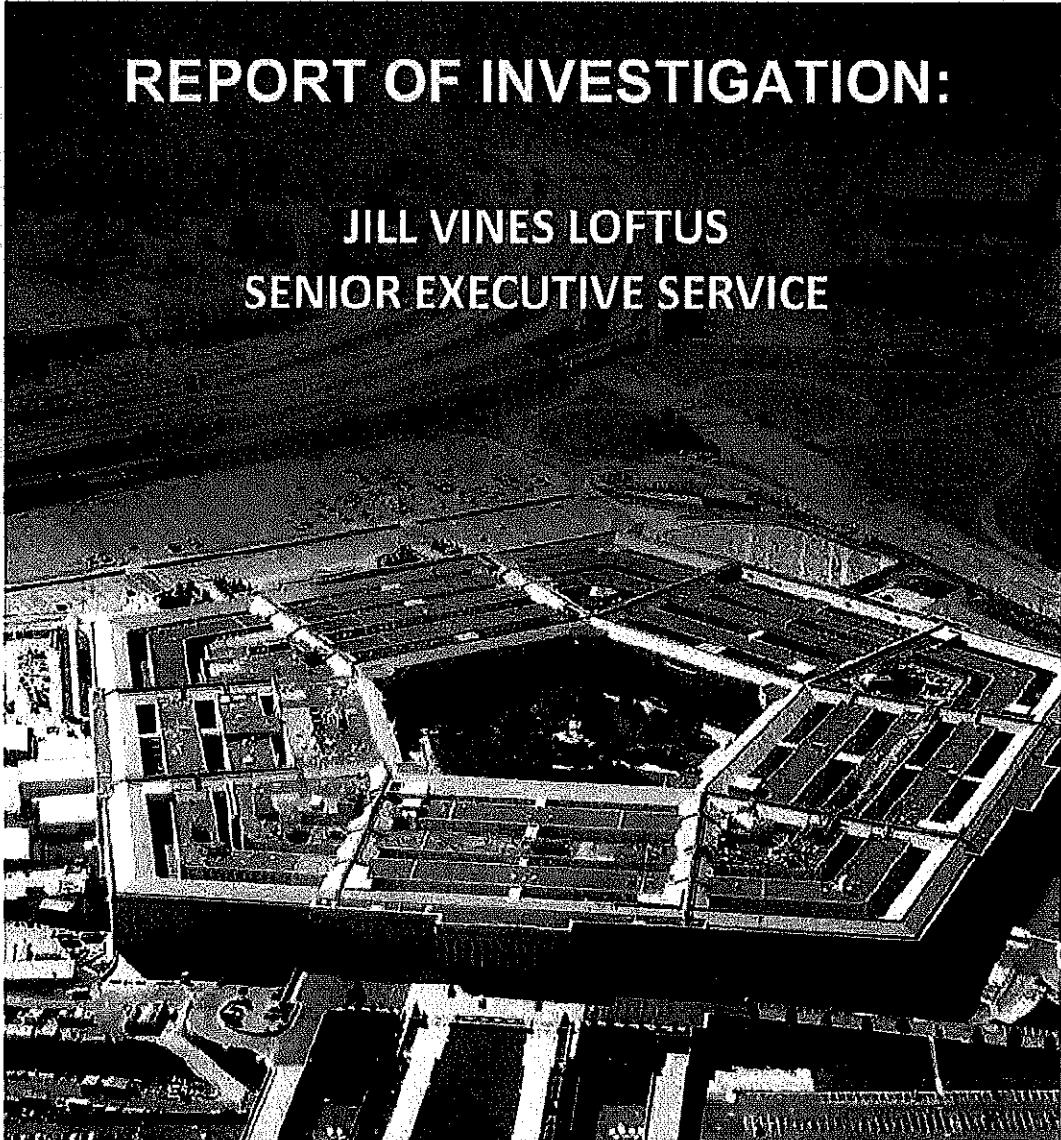
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INVESTIGATIONS OF SENIOR OFFICIALS
INSPECTOR GENERAL

U.S. Department of Defense

JUNE 16, 2015

REPORT OF INVESTIGATION:

**JILL VINES LOFTUS
SENIOR EXECUTIVE SERVICE**



INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

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INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22360-1500

JUN 16 2015

MEMORANDUM FOR INSPECTOR GENERAL

SUBJECT: Report of Investigation Concerning Ms. Jill Vines Loftus
(Report No. 20140620-026078)

We recently completed our investigation to address an allegation that Ms. Jill Vines Loftus, Senior Executive Service, Director, Department of the Navy Sexual Assault Prevention and Response Office, Office of the Secretary of the Navy, improperly conducted temporary duty (TDY) travel in violation of the Joint Travel Regulations (JTR) and other Government standards.

We substantiated the allegation. We conclude that Ms. Loftus did not conduct TDY travel in accordance with the JTR and other Government standards. As a result, we conclude from a sample of 11 trips we reviewed that Ms. Loftus received \$7,213.43 in reimbursements from the Government to which she was not entitled.

We conclude Ms. Loftus violated the JTR by failing to use General Services Administration city-pair airfare when available. We found Ms. Loftus traveled on United Airlines on occasions when lower-cost city-pair contracted carriers were available to her. We also found that in the Defense Travel System (DTS) pre-audit process her Authorizing Officials (AOs) were reluctant to challenge her justifications or express concerns regarding her choice to use other than the city-pair carrier because she was a senior executive and their supervisor. We determined that Ms. Loftus routinely selected more expensive airfare on United Airlines than the lower-cost city-pair options available to her and accordingly failed to exercise prudence in TDY travel. We also determined Ms. Loftus intentionally disregarded the DTS pre-audit process and failed to provide adequate justification for more expensive non-city-pair airfare on her preferred airline, United Airlines. We determined that in TDY air travel we reviewed, Ms. Loftus chose United Airlines or non city-pair flights for personal convenience, preference, and her participation in United Airlines' frequent flyer club or benefit. Further, we determined that Ms. Loftus' failure to use city-pair airfare and her selection of Y class tickets cost the Government at least \$2,945 more than if she had complied with the JTR.

We conclude that Ms. Loftus violated the JTR by not renting a car from the least expensive vendor and charging the Government for excessive fuel expenses and rewards point transfer fees to her United Mileage Plus account. We found that Ms. Loftus rented a Hertz rental car \$140.72 more expensive than a comparable available car from a different rental car vendor DTS identified to her. Overall, we found Ms. Loftus rented a car for 15 days, drove 72 miles, and claimed \$149.40 in fuel expenses. We determined that Ms. Loftus did not exercise prudence in travel or good stewardship of travel funds and improperly claimed and received reimbursement for rewards point transfer fees to her personal United Mileage Plus account.

We conclude Ms. Loftus violated the DoD Foreign Clearance Guide (FCG) and JTR by failing to make lodging reservations through the appropriate office in Bahrain, thereby incurring

an excess charge to the Government totaling \$935.91. We found that Ms. Loftus conducted TDY travel to Bahrain and made her own lodging reservation with the Radisson Diplomat hotel rather than through the Naval Support Activity (NSA) Bahrain Naval Gateway Inns & Suites (NGIS), as the FCG requires. We determined that by making her own lodging reservation, Ms. Loftus cost the Government \$935.91 more than if she had complied with the DoD FCG.

We conclude that Ms. Loftus violated the Department of Defense Financial Management Regulations (FMR), by improperly claiming currency conversion fees charged to her personal credit card. We found that Ms. Loftus used her personal credit card to purchase foreign currency incident to TDY travel to Bahrain and requested Government reimbursement of the \$66.46 exchange fee. We determined the \$66.46 conversion fee was a personal expense for which she was not entitled to reimbursement from the Government.

We conclude that Ms. Loftus failed to exercise prudence in travel by parking routinely at more expensive airport parking rather than available, less expensive, economy parking. We found that Ms. Loftus parked a total of 53 days at a cost to the Government of \$901, \$371 more than economy parking. We determined that Ms. Loftus failed to exercise prudence in travel in her choice to routinely park in the more expensive terminal garage when conducting official travel, at an excess cost to the Government of \$371.

We conclude that Ms. Loftus violated the JTR by traveling in premium class accommodations without authorization when coach class was available. We found that Ms. Loftus purchased a one-way Amtrak business class accommodation from Trenton, NJ, to Washington, D.C., for travel on April 29, 2014. Ms. Loftus' DTS documents do not offer justification or authorization for the premium class accommodation. We found coach class seats were available for purchase from Trenton, NJ, to Washington, D.C., when she booked travel. She requested and received Government reimbursement of \$35 for the business class seat assignment. We determined that Ms. Loftus' trip from Trenton, NJ, to Washington, D.C., by means of an unauthorized and more expensive business class seat assignment violated the JTR.

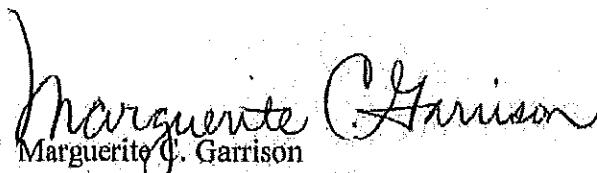
We conclude that by failing to file appropriate receipts, Ms. Loftus violated the JTR and FMR, and received reimbursement to which she was not entitled. We found four missing receipts, each individually over \$75 and totaling \$2,708.84 in the aggregate. We found that Ms. Loftus submitted claims to the Government for reimbursement absent these required receipts, her AOs approved the vouchers, and the Government reimbursed her fully for all claims. We determined that Ms. Loftus was not entitled to reimbursement totaling \$2,708.84 because she failed to submit four receipts supporting her claims for reimbursement as the JTR and FMR require.

We conclude Ms. Loftus improperly received reimbursement for airline tickets purchased in FY 2013 using FY 2013 funds for travel conducted in FY 2014, in violation of Title 31, United States Code, Section 1341 (31 U.S.C. 1341). We found that Ms. Loftus used local travel vouchers to claim and receive reimbursement in FY 2013 for airline tickets she purchased in FY 2013 using FY 2013 funds but traveled months later in FY 2014. We determined Ms. Loftus improperly received reimbursement for airline tickets purchased in FY 2013 using FY 2013 funds for travel conducted in FY 2014, in violation of 31 U.S.C. 1341.

In accordance with our established procedure, we provided Ms. Loftus the opportunity to comment on the preliminary results of our investigation. In her response, dated March 27, 2015, Ms. Loftus contested our preliminary findings and conclusions. We carefully considered Ms. Loftus' comments and addressed them throughout the report. Based on Ms. Loftus' comments and additional fieldwork we conducted, we revised our figure for the total amount of reimbursements Ms. Loftus received from the Government to which she was not entitled from \$9,827.89 to \$7,213.43. This revised figure derives from \$4,504.59 in excess charges to the Government and \$2,708.84 in other claims for which Ms. Loftus received reimbursement but did not submit required receipts. We stand by our conclusion that Ms. Loftus failed to conduct TDY travel in accordance with DoD and other Government standards.

The report of investigation, together with Ms. Loftus' response, is attached.

We recommend the Secretary of the Navy consider appropriate corrective action with regard to Ms. Loftus. We also recommend the Department of the Navy, Office of Financial Operations, audit all official travel by Ms. Loftus and her staff to determine the full amount she and members of her staff may owe the Government for travel expense reimbursements they received but to which they were not entitled, and recoup those funds.



Marguerite C. Garrison
Deputy Inspector General for
Administrative Investigations

Attachments:

As stated

**REPORT OF INVESTIGATION:
MS. JILL VINES LOFTUS, SENIOR EXECUTIVE SERVICE**

I. INTRODUCTION AND SUMMARY

We initiated this investigation to address an allegation that Ms. Jill Loftus, Senior Executive Service (SES), Director, Department of the Navy Sexual Assault Prevention and Response Office (DON-SAPRO), Office of the Secretary of the Navy, improperly conducted temporary duty (TDY) travel.¹ Such conduct, if substantiated, would violate the Joint Travel Regulations (JTR) and other Government standards.

Based on a sample of 11 trips we reviewed, our preliminary investigation concluded that Ms. Loftus violated multiple JTR provisions and other Government standards by:

- Arranging travel based on her personal preference and convenience, participating in an airline frequent flyer program by not using the Defense Travel System (DTS) city-pair program, selecting a more expensive "Y class" fare, and incurring \$5,493 in additional costs to the Government;
- Renting a more expensive rental car than offered by DTS and charging the Government for excessive fuel expenses and rewards points transfer fees to her United Mileage Plus account, incurring \$151.22 in additional cost to the Government;
- Circumventing the DoD Foreign Clearance Guide (FCG) to make her own lodging reservations in Bahrain and claiming reimbursement of \$935.91 more than the Government contracted local lodging rate;
- Using her personal credit card to purchase foreign currency incident to TDY travel to Bahrain and requesting Government reimbursement of the \$66.46 exchange fee;
- Claiming and receiving reimbursement for more expensive parking options at Dulles International Airport than are otherwise authorized under the JTR when less expensive economy parking was available, at an excess cost to the Government of \$371;
- Requesting and receiving reimbursement for business class rail accommodations without authorization, at an additional cost of \$35 over the available coach fare;
- Failing to submit five receipts to document reimbursement of expenses totaling \$2,775.30; and

¹ For the purposes of this report, temporary duty (TDY) includes the term temporary additional duty (TAD) as used by the U.S. Navy.

- Claiming and receiving reimbursement in FY 2013 using FY 2013 funds for airline travel executed months later in FY 2014.

Our preliminary investigation determined that in the 11 trips we reviewed, Ms. Loftus received \$9,827.89 in reimbursements from the Government to which she was not entitled.

Following our established practice, by letter dated February 25, 2015, we provided Ms. Loftus the opportunity to comment on the preliminary results of our investigation. In her response, dated March 27, 2015, Ms. Loftus contested our preliminary findings and conclusion. She characterized our conclusions as "inflammatory, insulting, condescending and disingenuous." Further, she inquired, "Am I being targeted due to the sensitive nature of my mission? Have I angered someone because of [*sic*] I am trying to hold accountable sexual predators in an organization that is predominately male?"²

We carefully considered Ms. Loftus' comments and address her comments throughout this report. We reevaluated the evidence and provided Ms. Loftus the broadest consideration with respect to several points she presented in her response. We stand by our conclusion that Ms. Loftus failed to conduct TDY travel in accordance with DoD and other Government standards.

However, based on Ms. Loftus' comments and additional fieldwork we conducted, we revised our figure for the total amount of reimbursements Ms. Loftus received from the Government to which she was not entitled from \$9,827.89 to \$7,213.43. This revised figure derives from \$4,504.59 in excess charges to the Government and \$2,708.84 in other claims for which Ms. Loftus received reimbursement but did not submit appropriate receipts.

We recommend the Secretary of the Navy consider appropriate corrective action regarding Ms. Loftus. We also recommend the Department of the Navy, Office of Financial Operations, audit all official travel by Ms. Loftus and her staff to determine the full amount she and members of her staff may owe the Government for travel expense reimbursements they received but to which they were not entitled.

This report sets forth our findings and conclusions based upon a preponderance of the evidence.

II. BACKGROUND

Ms. Loftus is the Director, DON-SAPRO, reporting directly to the Secretary and Under Secretary of the Navy. Ms. Loftus serves as the principal point of accountability for all sexual assault policy matters and maintains visibility of sexual assault prevention and response programs and related activities as implemented by the Navy and Marine Corps. Ms. Loftus conducts site visits to Navy and Marine Corps locations worldwide to review sexual assault

² We summarized Ms. Loftus' comments throughout this report where appropriate and provided a copy of her response, together with a copy of this report, to the Secretary of the Navy.

prevention and response matters. Ms. Loftus has 41 years of Federal service, including over 11 years as a former Deputy Naval Inspector General. In August 2009, the Secretary of the Navy selected Ms. Loftus for her current position.

The DON-SAPRO office consists of Ms. Loftus and 11 personnel subordinate to Ms. Loftus. By memorandum dated December 3, 2009, the Administrative Aide to the Secretary of the Navy appointed Ms. Loftus as a travel program certifying officer. In that capacity, Ms. Loftus had authority to act as an Authorizing Official (AO) to approve travel authorizations and travel vouchers. She appointed her (b) (6), (b) (7)(C) Deputy as an AO in December 2009, and in March 2012, Ms. Loftus appointed two other DON-SAPRO subordinates as DON-SAPRO AOs: a (b) (6), (b) (7)(C) Special Assistant (SA) and a (b) (6), (b) (7)(C) Executive Assistant (EA). DTS travel documents and witness testimony confirmed that Ms. Loftus' (b) (6), (b) (7)(C) Deputy and (b) (6), (b) (7)(C) SA approved Ms. Loftus' travel authorizations and vouchers. Ms. Loftus' subordinates continued to authorize and approve her travel until Mr. Thomas W. Hicks, performing the duties of the Under Secretary of the Navy, appointed himself as the AO for travel and leave requests for DON senior officials within the Secretariat Offices, including Ms. Loftus, via memorandum dated June 25, 2014.

Each year, the General Services Administration (GSA) awards contracts to airlines to provide air transportation for Government travelers on official business. GSA awards these contracts competitively based on the best overall value to the Government. GSA states that these contracts, known as "city-pair," offer fares "considerably lower than comparable commercial fares, saving the Federal Government billions of dollars annually." City-pair airfare does not require advance purchase, is fully refundable, and provides "last seat availability" for any coach class seat.

On many flights, there are two contract fares: a highly discounted unrestricted fare (YCA) and a "capacity controlled" fare (CA), which is the lowest cost city-pair option. The city-pair airfare program encourages Government travelers to book reservations as early as possible. The earlier the reservation, the better the chances are that the traveler can receive the CA fare and achieve the most cost savings. The JTR requires that if the city-pair carrier offers both YCA and CA airfare and the CA airfare is available when the traveler makes the reservation, the CA airfare (which is less expensive than the YCA airfare) "must be selected."

Use of city-pair by Government employees is the incentive the Government offers to obtain airline participation in the city-pair program and allows airlines the business volume necessary to justify discounted rates to all Government travelers. Government travelers are required to use city-pair in order for the program to be effective. A Federal traveler on official business is required to use the contract carrier (as a "mandatory user") unless a specific contract exception applies.

DTS enables DoD travelers to electronically create travel authorizations, book air travel, and create travel vouchers and travel orders. Further, DTS pre-audits documents and guides the traveler through the post-travel claims process. DTS also provides paperless electronic routing, review, and approval of the travel and associated documentation.

When a traveler selects a flight from DTS that is not a GSA city-pair and a GSA city-pair flight is available, DTS inserts a pop-up screen message that informs the traveler that the selection must be justified during pre-audit.

GSA conducts technical evaluations to ensure that city-pair airfare maintains minimum service and quality standards, such as minimum ground time and how far out of the way the carrier would take the traveler. GSA awards city-pair contracts based on these and other factors that create a best value decision for the Government.

United Airlines provides that "Premier" frequent flyers, such as Ms. Loftus, traveling on full-fare economy Y class are eligible for an instant upgrade at time of ticketing on select flights. City-pair YCA fares on United Airlines are considered Y class tickets, but CA fares are not.

III. SCOPE

We interviewed Ms. Loftus, seven witnesses, and three TDY travel subject matter experts who had knowledge of the matters under investigation. We reviewed Government emails, travel documents, and applicable standards. Although we saw indications that members of her staff, who were not senior officials, also did not properly conduct TDY travel in accordance with standards, we did not investigate their travel.

Internal DON-SAPRO travel documents showed that from February 28, 2013, to November 22, 2014, Ms. Loftus conducted 26 TDY trips. For purposes of our investigation, we randomly selected and reviewed 11 TDY trips, 10 by air travel and 1 by rail transportation.

During our preliminary investigative work, we determined that the following issue did not warrant further investigation.

Use of Local Travel Vouchers³

The Assistant for Administration, DON, requested that the Naval IG conduct a review of DTS records for 67 randomly selected SES members assigned to the DON. By memorandum dated June 12, 2014, the Naval IG reported to the Assistant for Administration that the "major discrepancy identified" in their review involved Ms. Loftus' use of local travel vouchers to purchase airline tickets for worldwide travel. The Naval IG observed that Ms. Loftus paid for the airline tickets and claimed reimbursement from the Government months in advance of her actual scheduled travel dates, the majority over 100 days before scheduled travel.

The Director, Travel Pay Operations, Defense Finance and Accounting Service (DFAS), stated, in his opinion, this practice is "very improper" because, among other reasons, "the traveler is receiving payment for services not yet received." The Chief, Policy Regulation Branch, Defense Travel Management Office, stated, in his opinion, that while the JTR does not

³ The JTR defines "local travel" as official travel conducted within the metropolitan area around the permanent duty station by local public transit systems, such as separate cities and installations that the commuting public travels during normal business hours on a daily basis.

specifically prohibit using a local travel voucher to pay for TDY travel, such practice is "not appropriate."

Ms. Loftus testified the practice of using local vouchers for worldwide travel is permitted by the DTS Document Processing Manual, dated August 30, 2013, which states, "DTS uses local vouchers to reimburse travelers for travel expenses incurred on trips completed with a 12-hour time period (this may vary due to local policy)." She added that Department of the Navy, Assistant for Administration (DON-AA) financial management analysts suggested that her office could use local travel vouchers to purchase worldwide commercial airline tickets and such advisement constituted a "local policy" as provided by the DTS Document Processing Manual. Further, she stated, "we just took advantage of the [DON-AA] suggestion. The fact that nobody else does it, well, you know, shame on them. They are not as innovative as we are."

We interviewed the DON-AA financial management analysts who Ms. Loftus stated advised her office to use local travel vouchers to purchase worldwide commercial airline tickets. One of the analysts testified she did not tell any SAPRO personnel to use local vouchers as a regular business practice to purchase airfare. The other DON-AA analyst testified she had no recollection of advising anyone from Ms. Loftus' office to use local travel vouchers to purchase airfare. She added, "But that would definitely not be something that I would say to do. Wow. No, I—I really don't remember saying that, to use a local voucher [to purchase airfare]."

We were unable to locate a DON-AA written policy addressing the use of local vouchers for worldwide travel prior to our interviews with Ms. Loftus on September 24-25, 2014. By memorandum dated October 31, 2014, to Ms. Loftus and other officials in the DON Secretariat, Mr. William R. O'Donnell, Assistant for Administration, DON, advised that "[airline] tickets should ordinarily be purchased no earlier than 30 days, and no later than 3 days prior to travel." He added that use of local travel vouchers is not appropriate when purchasing airline tickets.

We found no DoD standard that expressly prohibited the practice of using local vouchers for worldwide travel. Accordingly, we determined the allegation did not warrant further investigation as a matter of senior official misconduct. We also determined the October 31, 2014, DON-AA memorandum addressed the practice.

Ms. Loftus' Response to Investigation Scope

Ms. Loftus stated that our initial July 2014 telephonic notification to her did not include the allegation that she improperly conducted TDY travel. By memorandum dated July 18, 2014, we notified the Naval Inspector General that we initiated an investigation regarding Ms. Loftus' alleged "various travel improprieties" and added, "We may modify the scope of our investigation, if warranted." Further, we asked the Naval Inspector General to provide a copy of the memorandum to Ms. Loftus. Finally, while it is our practice as a matter of courtesy to notify a senior official prior to commencing an investigation, we are under no obligation to inform officials of emerging allegations as they arise before interviewing them or providing them with a copy of our tentative conclusions.

Ms. Loftus alleged (b) (6), (b) (7)(C) personnel abused their positions and knowingly made a false accusation of misconduct, among other things. In particular, she alleged a (b) (6), (b) (7) assigned to (b) (6), (b) (7)(C) is "harassing" her because the (b) (6), (b) "had a hand in providing [the DoD IG] with allegation that I was guilty of a 'MAJOR DISCREPENCY' [emphasis in original] – an accusation that (b) knew, or should have known, was baseless, for which there was no standard."

We considered her allegation and determined Ms. Loftus provided no credible allegation of misconduct by (b) (7)(C), (b) (6) personnel. Accordingly, the matter did not warrant further investigation.

Regarding testimony from two DoN-AA financial management analysts, Ms. Loftus requested we "delete" their testimonies as they only serve to "infer that I and members of my staff were being untruthful and fails to acknowledge that perhaps the person responsible for giving my staff the advice is now reluctant to admit they gave bad advice."

We considered Ms. Loftus' request to exclude the testimonies of the two DON-AA financial management analysts from the body of evidence we collected. However, we note that in her testimony to us, Ms. Loftus indicated these two witnesses would provide exculpatory evidence on her behalf and offered their names to us to interview. Further, we determined these witnesses had direct knowledge of the matters under investigation and provided relevant, sworn testimonies. Accordingly, we retained their testimonies as evidence in our investigation.

IV. FINDINGS AND ANALYSIS

Did Ms. Loftus fail to conduct TDY travel in accordance with DoD and other Government standards?

Standards

Several different standards apply to the facts of this case and are listed in the Appendix to this report for brevity. Each subheading within the fact section below includes a short synopsis of the applicable standards.

Facts

Our initial review of Ms. Loftus' official travel documents disclosed evidence that she did not conduct TDY travel in accordance with DoD and other Government standards.

Ms. Loftus' official travel and the GSA City-Pair Airfare Program

The JTR requires that Government travelers use city-pair airfare where available.

The JTR prohibits official travelers from choosing air carriers based on personal preference.

The JTR states that if a traveler selects Y class airfare and a lower cost option is available, the traveler is responsible to the Government for the cost difference between the two alternatives.

Our review of the 10 trips that required airfare showed that Ms. Loftus purchased her tickets an average 150 days in advance of travel. On three occasions, she purchased airfare that was more expensive than the most expensive city-pair option. We found no evidence Ms. Loftus selected the least expensive city-pair option (CA). The city-pair airfare program encourages a Government traveler to book reservations as early as possible. Once a traveler decides that a trip is necessary, the reservation should be made. The earlier the reservation, the better the chances are that the agency can receive the additional savings of CA fares. Ms. Loftus testified the CA airfare options were not available to her at the time she booked her tickets.

Ms. Loftus selected her own airfare for TDY travel months in advance of executing scheduled travel, and she prepared and submitted her own DTS travel authorizations and travel vouchers. A witness familiar with Ms. Loftus' airfare selections testified that since 2009, in general, about 50 percent of all flights Ms. Loftus selected were not city-pair flights. Further, Ms. Loftus' DON-SAPRO subordinates often mirrored Ms. Loftus' DTS travel selections when traveling as a team with Ms. Loftus.

Ms. Loftus and specific DON-SAPRO personnel typically conducted TDY travel to locations outside the contiguous United States (OCONUS). Her deputy and other DON-SAPRO personnel typically conducted TDY travel to contiguous United States (CONUS) locations. We reviewed 10 TDY trips that required Ms. Loftus to purchase airfare. For all 10 trips, she selected United Airlines. GSA records confirmed that United Airlines was not the GSA contracted city-pair flight on 6 of these 10 TDY trips. Further, witnesses familiar with her airline choices testified that Ms. Loftus selected United Airlines in order to accumulate frequent flyer mileage and secure more favorable seat assignments. Ms. Loftus testified she prefers United Airlines because they fly direct to her TDY locations, they are less expensive than the city-pair options DTS offers, they hub at Dulles International Airport, and they do not charge baggage fees due to her frequent flyer status with United Airlines.

Ms. Loftus is a "Premier 1K" frequent flyer with United Airlines, which is their highest status and which provides the most preferred seat assignment benefits. She used her frequent flyer status to upgrade seat assignments on United Airlines flights.

Mileage Plus is United Airlines' frequent flyer program. Mileage Plus members who travel the required number of qualifying miles or segments may earn premier status of silver, gold, platinum, or Premier 1K. Premier status members have complimentary access to Economy Plus seating for themselves and up to eight travel companions at check-in or booking based on Premier level. Table 1 lists the Economy Plus seating benefits available to each Premier level.⁴ Additionally, Premier 1K members, such as Ms. Loftus, can check up to three bags at 70 pounds

⁴ United Airlines characterizes Economy Plus seating as follows: "Stretch out with more room to work and relax, sit near the front of the cabin so you can exit the plane easier at your destination and more."

each without charge. Ms. Loftus provided us with her own calculations in support of her assertion that she generally saved the Government between \$100 and \$340 in baggage fees each time she flew United Airlines instead of other airlines.

Table 1. United Airlines' Frequent Flyer Program Status and Benefits

Benefit	Premier Silver	Premier Gold	Premier Platinum	Premier 1K
Complimentary Access to Economy Plus Seating	At check-in	At booking	At booking	At booking
Maximum Number of Economy Plus Companions	1	1	8	8
Confirmation of Economy Plus Seat Upgrades as Early as:	Day of departure	48 hours	72 hours	96 hours

(b)(6), (b)(7)(C) testified that Ms. Loftus is "very meticulous in looking at the flights and figuring out, you know, which ones work best with the schedule." He added, "There's no secret that all other things being equal, she would prefer to fly United [Airlines]. That's, that's widely known." (b)(6), (b)(7)(C) testified that he did not feel he could approach Ms. Loftus with his concerns about her travel. He stated he once presented a travel concern to (b)(6), (b)(7)(C), and (b)(6), (b)(7)(C) replied, "I don't question mom," (b)(6), (b)(7)(C) clarified that "mom" was Ms. Loftus.

Witnesses testified Ms. Loftus did not document the rationale or cost analysis regarding those instances when she did not select city-pair airfare when available. Ms. Loftus acknowledged the justifications she entered in her travel documents for not selecting city-pair airfare were often one word, such as "authorized." She added, "I'm confident that I don't usually write long narratives. In the future I'm going to, by the way, write long narratives."

Four Samples of Selecting Non-City-Pair or Refusing City-Pair CA Airfare

We randomly selected and reviewed 10 trips that included travel by airline. All of those trips included air travel on United Airlines. Four of those 10 trips resulted in excess cost to the Government. We summarize the facts concerning these four TDY trips below.

Guam - February 2014

On September 24, 2013, Ms. Loftus purchased a non-city-pair \$2,723.79 United Airlines round-trip ticket to Guam for travel commencing on February 15, 2014, arriving in Guam on February 16, 2014. The fare, excluding taxes, was \$2,615.

Within a few days of her purchase, Ms. Loftus requested a refund of her United Airlines ticket. The Commercial Travel Office (CTO) credited the refund to her Government travel charge card (GTC) on October 4, 2013. On the same date, October 4, 2013, Ms. Loftus purchased an upgraded Y class seat status on the same United Airlines flight to Guam for a

\$3,115 fare, excluding taxes – \$500 more than her original purchase price.⁵ The lowest cost round-trip city-pair flight to Guam was a \$1,586 CA fare on Delta Airlines. A CTO representative testified the \$1,586 CA fare “should have been available” for Ms. Loftus in DTS in October 2013 when she booked her United Airlines flight. The United Airlines flight she selected, including her \$500 Y class upgrade, cost the Government \$1,529 more than the available city-pair Delta Airlines flight.

Ms. Loftus testified that airlines offer passengers who possess a Y class ticket more flexibility to change flights “without any issues because a Y is a Y to them.” She testified she paid the extra \$500 upgrade to Y class “for flexibility to be able to change” the flight schedule because “we were worried about the scheduling, making sure that we had flexibility in order [to] get there and get back.” The city-pair program also provides fully refundable tickets and no charge for cancellations or changes. Travel documents showed she made no changes to her flight itinerary subsequent to purchase.

DTS notified Ms. Loftus in her travel authorization pre-audit that the cost of her non-city-pair flight selection “exceeds threshold.” She justified the purchase with the word “authorized.” Her ^{(b)(6), (b)(7)} AO authorized the purchase on October 4, 2013. The AO testified he did not notice the lower priced Delta Airlines city-pair option when he authorized the United Airlines purchase.

Ms. Loftus testified she did not select the city-pair flight because she determined the city-pair flight would take 27 hours and 59 minutes from Washington, D.C., to Guam, and the return city-pair flight would take 24 hours and 50 minutes. She asserted that under those circumstances, her staff would be entitled to stop en route for a rest period. Based on the flights Ms. Loftus selected, her flight from Washington, D.C., to Guam took 25 hours and 15 minutes. Her return flight to Washington, D.C., took 28 hours and 52 minutes. Ms. Loftus and her travel team arrived in Guam on Sunday, February 16, 2014. Monday, February 17, 2014, was a Federal holiday. Their first scheduled meeting with DoD personnel in Guam was scheduled for 9 a.m., Tuesday, February 18, 2014. The return flight was scheduled to arrive in Washington, D.C., at 8:47 p.m., Friday, February 21, 2014.

We found no evidence that Saturday, February 22, 2014, was a scheduled duty day for Ms. Loftus and her travel team.

Based on the trip duration estimates Ms. Loftus provided us and her flight itinerary, Table 2 summarizes the trip duration totals for the non-city-pair option Ms. Loftus selected and the less expensive city-pair option.

⁵ United Airlines provides that “Premier” members traveling on full-fare economy Y class are eligible for an instant upgrade at time of ticketing on select flights.

Table 2. Trip Durations to/from Guam, February 2014.

	Time Duration Washington, DC, to Guam	Time Duration Guam to Washington, DC	Total Trip Duration	Overall Quickest Option
Airline Ms. Loftus Selected (United)	25 hrs 15 mins	28 hrs 52 mins	54 hrs 7 mins	Delta (city-pair) by
City-Pair Airline (Delta)	27 hrs 59 mins	24 hrs 50 mins	52 hrs 49 mins	1 hr 18 mins

Italy - May 2014

On September 25, 2013, Ms. Loftus purchased a \$4,631 round-trip ticket to Italy for TDY travel that commenced on May 10, 2014, and arrived in Italy at 11:35 a.m., Sunday, May 11, 2014. Her first scheduled meeting with DoD personnel in Italy was scheduled for 8:30 a.m., Monday, May 12, 2014. She returned to Washington, D.C., on Saturday, May 17, 2014.

A portion of her trip included a \$538 ticket for air travel from Catania, Italy, to Naples, Italy, on Alitalia Airlines, a flight segment not offered in city-pair. For the remaining trans-Atlantic round-trip portion, Ms. Loftus selected a non-city-pair flight on United Airlines for \$3,433, excluding taxes.⁶

The available, lowest-cost round-trip city-pair flight for the trans-Atlantic portion cost \$2,178, excluding taxes, on Delta Airlines. The CTO testified that this city-pair Delta Airlines flight was "definitely" available to Ms. Loftus in September 2013 when she booked travel on United Airlines. Ms. Loftus justified her non-city-pair flight selection in her travel authorization pre-audit with the words "authorized," and for one segment of her return trip to Washington, D.C., (United Airlines flight 9141) she wrote "lower than [city-pair] contract." Her (b) (6), (b) (7)(C) AO authorized her travel authorization and airfare purchase on September 25, 2013. He testified he did not know Ms. Loftus selected a non-city-pair flight on United Airlines.

After her return from Italy, Ms. Loftus completed her travel voucher. Ms. Loftus justified her non-city-pair purchase of United Airlines flight 9141 airfare with the words, "Foreign carrier - U.S. carrier not available" and for a different segment of her return trip to Washington, D.C., (United Airlines flight 988) with the words "lower than [city-pair] contract." Her (b) (6), (b) (7)(C) AO approved her voucher on May 19, 2014.

Ms. Loftus testified she determined the city-pair flight would take 21 hours from Washington, D.C., to Italy, and the return would take 27 hours and 37 minutes. Other than information about the cost of the available city-pair flights, we were unable to collect historical flight data to confirm her assertion. Based on the flights Ms. Loftus selected, her flight to Italy took 12 hours and 30 minutes. Her return flight took 14 hours and 55 minutes. Ms. Loftus testified that she considers trip durations for all city-pair flights. She added she checks "how long [the city-pair flight] takes, what the routes are and how much of my schedule is going to be affected."

⁶ The total trans-Atlantic round-trip portion cost \$4,093, which included \$660 in taxes.

Spain - July – August 2014

On January 27, 2014, Ms. Loftus purchased a \$2,559.60 round-trip ticket to Madrid, Spain, departing July 25, 2014, and returning August 1, 2014. A portion of her trip also included a \$1,097 round-trip flight on Iberia Airlines from Madrid to Jerez de la Frontera, Spain. This flight segment is not offered in city-pair. For the remaining trans-Atlantic round-trip portion, Ms. Loftus used her GTCC to purchase a non-city-pair United Airlines ticket for \$1,366, excluding taxes.⁷ CTO notes showed this was the YCA fare (Y class). CTO notes also showed that on January 27, 2014, the CTO offered Ms. Loftus' EA the city-pair CA fare of \$866, which her EA refused on Ms. Loftus' behalf in lieu of the more expensive city-pair Y class ticket of \$1,366, a difference of \$500.⁸

On March 16, 2014, Ms. Loftus created a local voucher to request reimbursement for the airfare purchase for Spain she made 6 weeks earlier. Her Deputy AO approved the round-trip Y class ticket purchase on March 18, 2014, and the Government reimbursed her GTCC for the full purchase amount on March 21, 2014. After her return from Spain, Ms. Loftus submitted her travel voucher to DTS on August 4, 2014. Her travel voucher did not include information regarding her United Airlines ticket she purchased on January 27, 2014, and she provided no justification for the Y class upgrade.

Italy - November 2014

On May 13, 2014, Ms. Loftus purchased a \$5,641.90 round-trip ticket to Italy for TDY travel commencing on November 15, 2014. A portion of her trip included a \$573.50 ticket for air travel from Catania, Italy, to Naples, Italy on Alitalia Airlines, a flight segment not offered in city-pair. For the remaining trans-Atlantic round-trip portion, Ms. Loftus selected a non-city-pair flight on United Airlines for \$4,417, excluding taxes.⁹

On May 19, 2014, she submitted her local travel voucher requesting reimbursement for this advance purchase, which her ^{(b)(6)} AO authorized on May 19, 2014. The ^{(b)(6)} AO testified he was "uncomfortable" with approving a travel authorization 6 months in advance of travel. The CTO testified that in May 2014 the FY 2015 city-pair contract was not available, and Ms. Loftus could not purchase the Government contract fare at the time she booked her ticket. Ms. Loftus testified she intended to rebook this future flight to the less expensive city-pair option when the FY 2015 city-pair contract became available.

The CTO stated that after Ms. Loftus booked her flight on United Airlines, the CTO found a flight for the same date and approximately the same time for \$1,542 on Delta Airlines, and he notified Ms. Loftus via DTS. Ms. Loftus testified her EA "probably" received the CTO message from DTS, which stated "CTO found lower fare option. Please modify DTS or contact

⁷ The total trans-Atlantic round-trip portion cost \$1,462.60, which included \$96.60 in taxes.

⁸ The round-trip GSA city-pair CA fare published for this flight is also \$866.

⁹ The total trans-Atlantic round-trip portion cost \$5068.40, which included \$651.40 in taxes.

the DTS Helpdesk for assistance." The CTO testified Ms. Loftus took no action to modify her flight to the less expensive option after he sent the notification. (b) (6), (b) (7)(C) testified he would expect Ms. Loftus could explain "why this [United Airlines flight] really is more economical than it looks at first glance. And if she could not come up with that, I would say that's a problem."

Ms. Loftus testified she determined the city-pair flight had multiple stops and that DTS did not offer her the city-pair lowest fare from Washington, D.C., to her scheduled arrival city of Catania, Italy. Ms. Loftus testified she conducted due diligence to be a good steward of Government travel funds. She explained:

The fact that I don't use the city pair ... does not necessarily mean I'm not saving the government money. ... A lot of times the city pairs, if you look, if you actually look at the city pairs and you add up the cost of what luggage would be, of where they travel, of how long the trip is, it actually costs more to do the city pair than it does not to do the city pair.

She added she carefully selected airfare based on "what meets my mission, what gets me there the quickest and gets me back the quickest, what doesn't pay more overnights [and] more per diem." Table 3 summarizes the facts in the four TDY trips discussed above.

Table 3. Sample Trips of Non-City-Pair Selections or Refusing City-Pair CA Airfare¹

TDY	Guam	Italy	Spain	Italy
Date Ticket Purchased ²	October 4, 2013	September 25, 2013	January 27, 2014	May 13, 2014
Dates of Actual Travel	February 15-21, 2014	May 10-17, 2014	July 25, 2014-August 1, 2014	November 15-22, 2014
Airline Ms. Loftus Selected	United	United	United	United
City-Pair Airline	Delta	Delta	United	Delta to Italy. United to U.S.
Amount Ms. Loftus claimed and was reimbursed	\$3,115	\$3,433 ³	\$1,366 ⁴	\$4,417 ⁵
City-Pair CA Fare (Capacity Controlled – Lowest Cost City-Pair Fare)	\$1,586	Not Offered by City-Pair	\$866	\$1,542 (including taxes, offered through CTO) \$2,103 (base fare, through City-Pair)
City-Pair YCA Fare	\$2,252	\$2,178	\$1,366	\$2,553
Minimum Excess Cost to Government	\$863	\$1,255	\$0	\$1,864
Maximum Excess Cost to the Government	\$1,529	\$1,255	\$500	\$2,875

¹ All figures represent base airfare, exclusive of taxes and CTO fees, except as noted.

² This represents the date the GTCC vendor posted the charge to Ms. Loftus' GTCC statement.

³ As explained in the narrative portion of this report, this figure is the base cost of the round-trip trans-Atlantic segment of her TDY. Her TDY also included an intra-Italy flight segment from Catania to Naples on Alitalia Airlines. This intra-Italy flight segment was not offered in GSA city-pair and accordingly is excluded from our cost analysis of this allegation.

⁴ As explained in the narrative portion of this report, this figure is the base cost of the round-trip trans-Atlantic segment of her TDY. Her TDY also included a round-trip intra-Spain flight segment from Madrid to Jerez de la Frontera on Iberia Airlines. This intra-Spain flight segment was not offered in GSA city-pair and accordingly is excluded from our cost analysis of this allegation.

⁵ As explained in the narrative portion of this report, this figure is the base cost of the round-trip trans-Atlantic segment of her TDY. Her TDY also included an intra-Italy flight segment from Catania to Naples on Alitalia Airlines. This intra-Italy flight segment was not offered in GSA city-pair and accordingly is excluded from our cost analysis of this allegation.

Six Remaining Airfare Samples

Of the remaining six TDY trips we reviewed, Ms. Loftus selected airfare that was more expensive than city-pair CA flight options on two trips. However, we were unable to collect historical city-pair data regarding whether these two city-pair CA flights were available to Ms. Loftus on the dates she selected and purchased airfare. For the four other trips, Ms. Loftus selected a non-city-pair flight that saved the Government \$500; a non-city-pair flight that cost the same as the city-pair flight; and twice selected the proper city-pair flights. We summarize these six trips in Table 4.

Table 4. Summary of Six Remaining Airfare Samples¹

TDY	Bahrain	Oahu, HI	San Diego, CA	Bahrain	Jacksonville, FL	Istanbul, Turkey
Date Ticket Purchased	September 27, 2012	October 4, 2013	September 24, 2013	September 24, 2013	December 6, 2013	December 5, 2013
Dates of Actual Travel	February 28-March 10, 2013	January 5-12, 2014	January 19-24, 2014	March 7-16, 2014	March 25-28, 2014	April 19-26, 2014
Airline Ms. Loftus Selected	United	United	United	United	United	United
City-Pair Airline(s)	United	United or American	American and US Air	American	United	American
Amount Ms. Loftus claimed and was reimbursed	\$2,086	\$1,038.44	\$522.80	\$1,400	\$366.00	\$557 ²
City-Pair CA Fare (Capacity Controlled - Lowest Cost City-Pair Fare)	Not Offered by City-Pair	\$980	\$400	Not Offered by City-Pair	\$366	Not Offered by City-Pair
City-Pair YCA Fare	\$2,086	\$1,078	\$842	\$1,900	\$402	\$557
Minimum Excess Cost to Government	\$0	\$0	\$0	\$0	\$0	\$0
Maximum Excess Cost to the Government	\$0	\$58.44	\$122.80	\$0	\$0	\$0

¹ City-pair domestic fares posted on the city-pair website show the domestic price for the base fare, tax included but without segment, airport, and security fees. International airfares are shown as the base fare only, exclusive of all fees and taxes. Accordingly, all figures represent base fares where applicable.

² This figure is the base cost of the one-way trans-Atlantic segment from Istanbul, Turkey, to Washington, D.C. This TDY trip included travel segments to Dubai, UAE, and Djibouti. At the time, GSA did not have a city-pair

contracted fare for her travel segments that included these locations. Accordingly, we excluded the cost of air travel involving Dubai from our cost analysis.

Rental Cars

The JTR requires that the lowest cost rental service that meets the mission transportation requirement must be selected for commercially rented vehicles.

The JTR requires that travelers exercise the same care and regard for incurring Government travel expenses as a prudent person traveling at personal expense.

Ms. Loftus rented a car on five of the 11 TDY trips we reviewed. Witnesses testified the DON-SAPRO team typically rented more than one rental car while on official travel and shared vehicles among team members, but Ms. Loftus principally drove her own rental car. Ms. Loftus testified that the rental cars she rented in her name were not for her exclusive use when traveling with the SAPRO team and other team members drove the car she rented. The evidence regarding rental car use for three trips is summarized below.

Rental Car – Guam

Ms. Loftus drove a rental car 22 miles while on TDY in Guam February 16-21, 2014, and claimed and received reimbursement for a Hertz \$22.48 "fuel and service" fee. In addition, she claimed and received reimbursement for \$10 in fuel expenses. She testified, and her GTCC statement confirmed, that she refueled the rental car with \$5 in fuel just prior to returning it. She added she had no explanation why Hertz charged her the \$22.48 fee.

Rental Car – San Diego

Ms. Loftus drove a rental car 38 miles while on TDY in San Diego, CA, January 19-23, 2014, and she claimed and received reimbursement for a Hertz \$20.63 "fuel and service" fee.¹⁰ Ms. Loftus also claimed and received reimbursement for \$26 in fuel expenses. Ms. Loftus testified she did not stop to refuel prior to returning the rental car and had Hertz refuel the car for her. She could not explain her \$26 fuel expense claim that was submitted in addition to the Hertz \$20.63 fuel and service fee. Further, Ms. Loftus also claimed and received reimbursement for a \$5.25 fee Hertz charged to transfer her Hertz Gold Plus Rewards earned from this rental to her United Airlines Mileage Plus account.

Rental Car – Hawaii

Ms. Loftus and four other DON-SAPRO personnel conducted TDY travel to Hawaii in January 2014. A witness who accompanied Ms. Loftus on this trip testified that Ms. Loftus and her team rented four cars because they had separate agendas in Hawaii.

¹⁰ The "fuel and service" charge is an added fee Hertz collects for cost of fuel and refueling service if a car is not returned full of fuel.

The DTS pre-audit for Ms. Loftus' Oahu travel authorization stated, "The rental car rate selected \$493.66 is higher than the lowest rental car rate available \$353.94 for the selected rental car type by \$140.72 [sic]." Ms. Loftus explained the additional \$140.72 cost to the Government in her DTS pre-audit justification with the word "authorized." Ms. Loftus ultimately rented the Hertz rental car rather than the less expensive rental car DTS offered her. Ms. Loftus testified that the less expensive rental car vendor that DTS offered her was Fox Rental and that her prior experience with that specific Fox Rental location was poor. She stated Fox Rental is an unreliable company, geographically separated from the airport, and not open 24 hours. When we asked Ms. Loftus why she did not use more than one word to explain her justification to rent a car from a more expensive vendor, she testified that "authorized" was "shorthand" and "sometimes I put ['authorized'] in, I write that in [the DTS pre-audit justification]."

The Hertz receipt showed she traveled 890 miles during her 6 days in Hawaii. She claimed reimbursement for a "fuel purchase option" of \$70.29 and for a \$5.25 fee Hertz charged to transfer Hertz Gold Plus Rewards earned from this rental to her United Airlines Mileage Plus account.

Ms. Loftus testified she was unaware prior to our interview that Hertz charged her \$70.29 to refuel her rental car. She testified she probably drove the rental car 12 miles and then refueled it prior to returning it. She stated there is "no way" she or anybody else drove her rental car 890 miles during this TDY trip. She stated she did not review the reported mileage or charges identified on her receipt prior to paying for them. When we asked her if she thought she had a responsibility to review her rental car receipt, she stated, "Now I do, but I didn't think Hertz would screw up things." Ms. Loftus testified she and her team rented three cars because there were three simultaneous locations to visit. She added that two other SAPRO personnel drove her rental car.

Rental car receipts and travel voucher details regarding Ms. Loftus' cars rented in Guam, San Diego, and Oahu are summarized in Table 5.

Table 5. Rental Cars

TDY ↓	Days Car Rented	Rental Car Description	Miles Driven	Rental Agency	Fuel Charges Claimed and Reimbursed	Frequent Flyer Surcharge Claimed and Reimbursed
Guam	5	Executive Sedan	22	Hertz	\$32.48	\$0
San Diego	4	Impala	38	Hertz	46.63	5.25
Oahu	6	Explorer	12 ¹	Hertz	70.29	5.25
Totals	15		72		\$149.40	\$10.50

¹ The Hertz receipt showed Ms. Loftus drove this rental car 890 miles; however, she testified she or others drove it approximately 12 miles.

Lodging

The DoD Foreign Clearance Guide requires that all TDY travelers to Bahrain make lodging reservations through the Naval Support Activity (NSA) Bahrain Naval Gateway Inns & Suites (NGIS) local billeting office.

NSA Bahrain NGIS contracts with 29 hotels in Bahrain to charge DoD travelers less than the local FY 2014 lodging per diem rate of \$272 per night. The daily rates, per person, for these hotels vary from a low of \$80 per night and average \$142 per night. NSA Bahrain NGIS certifies that each of the contracted 29 hotels meets minimum force protection requirements. In March 2014, Ms. Loftus conducted TDY travel to Bahrain and stayed at the Radisson Diplomat hotel, Manama, Bahrain. In September 2013, Ms. Loftus made her March 2014 reservation directly with the Radisson Diplomat through the Club Carlson Website and not through the NSA Bahrain NGIS lodging office.

Ms. Loftus and a witness familiar with how Ms. Loftus made her reservation with the Radisson Diplomat hotel testified that the U.S. Naval Forces Central Command (NAVCENT) Protocol Office recommended the Radisson Diplomat hotel to her. The NAVCENT Protocol Officer stated his office refers all travelers to the DoD FCG and advises visitors to follow FCG requirements regarding TDY lodging. The Protocol Officer stated his office did not assist Ms. Loftus with her March 2014 lodging reservation.

When a DoD traveler creates a travel authorization for a foreign travel destination in DTS, DTS automatically displays a pop-up screen that requires the traveler to acknowledge the requirement to review the FCG entry requirements for DoD personnel. The pop-up screen adds, "Failure to comply with FCG requirements may violate DoD travel policy as per the DoD Foreign Clearance Program." The DTS user must acknowledge the message by clicking "ok." Ms. Loftus testified she was unaware the FCG required her to make lodging reservations through NSA Bahrain NGIS.

Ms. Loftus stayed at the Radisson Diplomat from Saturday, March 8 through Saturday, March 15, 2014. The Radisson Diplomat charged her different amounts depending on the day, and her receipt showed a charge of 90 Bahraini dinars per night for three nights and a charge of 100 Bahraini dinars per night for other nights, for a total of 809.029 Bahraini dinars, including taxes and services charges. Ms. Loftus' GTCC statement showed a charge of 809.02 Bahraini dinars on March 15, 2014. The GTCC vendor converted the charge to \$2,146.

On March 16, 2014, Ms. Loftus submitted a travel voucher for this TDY trip. She initially claimed \$257 lodging expense for each night for a total lodging claim of \$1,799. She also claimed hotel room taxes of \$370. On March 31, 2014, Ms. Loftus amended her travel voucher to delete the \$370 hotel room taxes and revised her overall lodging claim to \$2,293 – \$494 more than her original lodging claim and \$147 more than the Radisson Diplomat charged her GTCC.

Subsequent to our interviews with Ms. Loftus on September 24-25, 2014, Ms. Loftus amended her lodging claim a second time on October 6, 2014. She adjusted the lodging amount

to \$2,146, which mirrored the amount the Radisson Diplomat charged her GTCC on March 15, 2014. The DTS pre-audit requested she provide an Actual Expense Authorization (AEA) to justify lodging and hotel tax expenses that exceeded the maximum lodging per diem. She provided the statement "Security reasons only certain hotels are authorized - actual costs."

The NSA Bahrain NGIS contracted rate for the Radisson Diplomat hotel at the time Ms. Loftus stayed there was \$172.87 per night, inclusive of taxes and other service charges. Ms. Loftus claimed \$2,146 in reimbursement for this lodging stay, which cost the Government \$935.91 more than the NGIS rate of \$1,210.09, as Table 6 illustrates.

Table 6. Lodging – Bahrain (In U.S. dollars)

Date (2014)	Radisson Diplomat Rate Per NGIS Contract	Amount Ms. Loftus paid Radisson Diplomat	Amounts Ms. Loftus Claimed		
			Original Voucher	Amended Voucher #1	Amended Voucher #2
Saturday, March 8	\$172.87	\$238.73	\$257	\$337	\$306
Sunday, March 9	172.87	265.26	257	337	306
Monday, March 10	172.87	265.26	257	337	306
Tuesday, March 11	172.87	265.26	257	337	306
Wednesday, March 12	172.87	265.26	257	336	306
Thursday, March 13	172.87	238.73	257	337	306
Friday, March 14	172.87	238.73	257	0	310
Saturday, March 15	NA	0	0	272	0
Subtotal	\$1,210.09	\$1,777.23	\$1,799	\$2,293	\$2,146
Hotel room taxes	0	368.78	370	0	0
TOTAL	\$1,210.09	\$2,146.01¹	\$2,169	\$2,293	\$2,146
Excess cost to the Government		\$935.91			

¹ We attribute the one cent difference between the actual hotel charge in Bahraini dinars and the charge posted to Ms. Loftus' GTCC in U.S. dollars to GTCC vendor currency rounding.

Claim for Currency Conversion Fees

The DoD Financial Management Regulation (FMR) requires DoD personnel to use the GTCC for all official Government travel expenses.

The GTCC is the GSA contractor-issued charge card Government travelers are required to use for all official travel expenses. We found no evidence that Ms. Loftus received an exception from the requirement to use the GTCC for official travel expenses.

Ms. Loftus testified she used her personal credit card to purchase foreign currency for "Government business" related to her March 2014 TDY travel to Bahrain. Ms. Loftus testified that she used her personal credit card for a cash advance for meals and "stuff" while TDY in Bahrain. She added, "I don't think there's anywhere that says I have to use my Government credit card for buying currency." Ms. Loftus' travel voucher, testimony, and GTCC statement showed she claimed and received reimbursement for a \$66.46 foreign currency fee to convert U.S. dollars to Bahraini dinars for this trip. She testified that she used her personal credit card for the currency exchange with a vendor in Tysons Corner, VA. We contacted a currency

conversion vendor in Tysons Corner, VA, who stated that they charged a flat rate of \$10 for any U.S. dollar to Bahraini dinar exchange greater than \$500. She added that an exchange purchased with a credit card is capped at \$500, and incurs a 3 percent credit card fee (\$15) and a flat rate fee of \$5. Based on the vendor's fees and Ms. Loftus' testimony that she used her personal credit card for the exchange, the vendor would charge approximately \$20 to exchange \$500 to Bahraini dinars.

Ms. Loftus' travel voucher showed the Government paid her \$1,178 for Meals & Incidental Expenses (M&IE) for her travel to Bahrain. Travel documents showed she used her GTCC to pay for airfare and lodging incident to the TDY trip but not meals.¹¹ Other than the lodging expense paid with her GTCC, Ms. Loftus' travel voucher did not document any expenses in Bahrain beyond the Government allowable M&IE.

We were unable to calculate the U.S. dollar amount Ms. Loftus purchased with her personal credit card. She claimed, and the Government reimbursed, \$66.46 in conversion fees.

Personally Owned Vehicle (POV) Parking at Airport Terminal

The JTR states that use of the least expensive parking, ordinarily the long term lot, when parking at an airport terminal is an example of good stewardship of limited travel funds.

Dulles International Airport has four parking options: hourly, valet, garage, and economy. We compared garage and economy parking options. Garage parking is located close to the terminal and provides covered parking. Economy parking is located on airport property near the airport exit and is accessible by shuttle to the terminal 24 hours per day, 7 days per week at 10-minute intervals. Vehicles parked in economy parking are exposed to the elements. The daily rate for garage parking is \$17 while the daily rate for economy parking is \$10.

Ms. Loftus routinely parked her POV in the Dulles Airport terminal parking garage rather than the economy parking lot. (b)(6), (b)(7)(C) testified that he knew she parked at the terminal garage and stated that in his opinion such practice was a "reasonable accommodation" due to the amount of travel Ms. Loftus conducts. Based on the 10 TDY trips we reviewed that required Ms. Loftus to use air travel, she parked in the Dulles Airport parking garage a total of 53 days at a cost to the Government of \$901. The economy parking option for 53 days would have cost the Government \$530, a difference of \$371.

Ms. Loftus testified she parks at the garage instead of the less expensive economy parking option for the following reasons:

- She is at the airport at night and by herself;
- She travels in inclement weather;

¹¹ The DoD Financial Management Regulation, Volume 9, Chapter 3, dated August 2011, requires DoD travelers to use their GTCC to purchase meals while in TDY status unless it is "impractical."

- DoD travel standards state she can park in the garage;
- Her colleagues park in the garage;
- She has luggage; and
- She saves the Government money because she does not take a taxi.

Ms. Loftus stated her personal safety is more important than \$3 a day and that she parks in the terminal garage when on personal leisure travel as well. She added, "I've got luggage, I'm flying at night, I'm coming back in the dark, and I'm not safe [in economy parking]."

Ms. Loftus stated that the JTR permitted her to park in the garage. She cited paragraph C2000, "Obligation to Exercise Prudence in Travel," which states that a traveler "must consider ... the least expensive parking (ordinarily the long term lot) when [POV] parking is authorized at the transportation terminal or at other facilities (that is, valet parking must be justified when self-parking is available)."

She asserted that the JTR's language on this matter is worded in such a way that only valet parking is prohibited without appropriate justification.

Amtrak Premium Class Transportation

The JTR requires travelers to use economy or coach class accommodations unless other accommodations are authorized.

On March 19, 2014, Ms. Loftus charged \$264 to her GTCC to purchase Amtrak business class rail fare round trip from Washington, D.C., to Trenton, NJ, scheduled for April 27-29, 2014. Her GTCC showed she purchased the entire round trip on March 19, 2014. A hand-written annotation on her Amtrak boarding pass indicated her ticket cost \$264, which she claimed on her voucher on April 30, 2014. Her ^{(b) (6), (b)} AO approved her voucher, and the Government reimbursed her \$264 on May 5, 2014.

We contacted Amtrak regarding Ms. Loftus' fare and accommodations. Amtrak confirmed that Ms. Loftus traveled in business class accommodations for both portions of this trip. Amtrak stated the fare from Washington, D.C., to Trenton, NJ, cost \$158 and the return fare was \$106 for a total of \$264. The business class accommodation of \$35 each way was included in the \$264. Amtrak also confirmed no coach class seats were available from Washington, D.C., to Trenton, NJ, but coach class was available on Ms. Loftus' return trip from Trenton, NJ, to Washington, D.C.

Ms. Loftus submitted an Amtrak boarding pass in lieu of a receipt with her travel voucher. The words "business class seat" appeared on both the departure and return boarding pass portions. Her travel authorization dated March 19, 2014, did not show a request or approval for premium class accommodations. Her travel voucher did not indicate premium class accommodations but did include a notation that "variations authorized in case schedules require early departure." Her travel documents and testimony did not confirm a business need for early departure from Trenton necessitating business class accommodations on the return trip.

Ms. Loftus' EA testified that she arranged Ms. Loftus' travel directly with Amtrak and did not use DTS or CTO assistance. The EA stated that Amtrak had no Government fares available at the time of booking and that they told her she had to purchase a business class accommodation in order to guarantee a seat for Ms. Loftus.

Ms. Loftus testified that her EA arranged the Amtrak booking, and the EA reported to her that Amtrak had only business class available from Washington, D.C., to Trenton, NJ. When we asked Ms. Loftus if Amtrak had coach seats available for the return trip to Washington, D.C., Ms. Loftus replied, "No. I mean, I don't know. I mean, I would assume not because we were calling late and it was 2 days difference."

Receipts

The JTR requires travelers to provide receipts for each lodging and individual expense of \$75 or more within 5 working days after returning from TDY travel.

Of the 11 TDY trips we examined, Ms. Loftus omitted required receipts for some claimed expenses above \$75 each, as illustrated in the following table.

Table 7. Missing Receipts

TDY Vouchers	Missing/Illegible Receipts
Bahrain, March 2014	Airfare, \$2,012.20 Foreign Currency Conversion Fee, \$87.92
Jacksonville, FL, March 2014	Rental car, \$186.18 Lodging, \$225
Princeton, NJ, April 2014	Rail fare, \$264 (Business Class)

¹ The base fare for this ticket was \$1,400. The GTCC vendor posted the entire United Airline charge of \$2,012.20, which included \$612.20 in taxes, on September 24, 2013.

Regarding the two missing receipts for her March 2014 TDY to Bahrain presented in Table 7, Ms. Loftus testified she had no explanation why she did not include her airfare receipt. She stated, and her GTCC statement showed, the \$87.92 foreign currency conversion fee is a combination of \$66.46 in fees charged to her personal credit card to acquire Bahraini dinars prior to departing Washington, D.C., and \$21.46 the GTCC vendor charged as a 1 percent foreign currency conversion fee to pay the \$2,146 lodging expense while in Bahrain.

Ms. Loftus acknowledged she submitted a boarding pass in lieu of a receipt for her Amtrak transportation to Trenton, NJ, and that she did not provide a receipt for her rental car used during TDY travel to Jacksonville, FL.

Improper Execution of Travel Funds

Title 31 U.S.C. states that a Government employee may not make an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure.

Comptroller General decision B-238110 states TDY travel is a bona fide need of the year in which the travel actually occurs. Therefore, agencies must charge the expenses of temporary duty travel to the appropriation current in that fiscal year.

From June 1, 2012, to June 30, 2014, Naval IG and DFAS documents identified 20 instances in which Ms. Loftus used local travel vouchers to receive reimbursements exceeding \$71,000 in worldwide commercial airline tickets she purchased months in advance of the actual execution of official travel.¹² Within days of booking, the contracted CTO ticketed her airfare and charged her GTCC for the purchase. The Government reimbursed Ms. Loftus' GTCC months prior to her actual air travel through her use of local vouchers.

In an undated letter from Ms. Loftus to Mr. Thomas Hicks, Under Secretary of the Navy, Ms. Loftus stated she directed her staff to consult with a financial management analyst assigned to the DON-AA regarding the use of local travel vouchers to purchase airline tickets. Ms. Loftus stated that the financial management analyst suggested her office could use local travel vouchers for this purpose, which Ms. Loftus stated to Mr. Hicks made "perfect sense," because:

... We were using the funds as they were intended and committed, we were paying for an obligation at the time of the obligation (no advanced payment), the funds were going straight to the credit card company and we were avoiding any interest charges/credit that would occur had the [GTCC] balance carried over from month to month.

Two TDY travel authorizations we reviewed showed that Ms. Loftus claimed and received reimbursement in FY 2013 for airline tickets purchased in FY 2013, yet traveled months later in FY 2014. The DTS pre-audit notified Ms. Loftus that "this travel document covers Fiscal Year 14 but there is a line of accounting specified for a different Fiscal Year 13." Ms. Loftus supplied the justification "will adjust when budget released." We asked a DON-AA financial management analyst to audit these two local vouchers and associated travel documents. The analyst stated that in both instances, Ms. Loftus used FY 2013 funds to pay for FY 2014 travel expenses. She stated this was an improper execution of funds and violated the "Bona Fide Need Rule," as addressed by the Government Accountability Office in a Comptroller General decision B-238110, dated May 7, 1991:

Temporary duty travel is a bona fide need *of the year in which the travel actually occurs*. Therefore, agencies must charge the expenses of temporary duty travel to the appropriation current in that fiscal year. Where travel spans two fiscal years, agencies must charge the expenses to the appropriations current in the fiscal years in which the particular travel expenses are incurred. (emphasis added)

During our interview with Ms. Loftus, we presented a travel voucher for one of the trips audited by DON-AA and asked her to explain the steps she took to ensure the proper line of

¹² The JTR defines a travel voucher as a written request, supported by applicable documentation and receipts, for reimbursement of expenses incurred in the performance of any official travel.

accounting was applied to the voucher. Ms. Loftus testified:

I don't know how it gets paid ... they're [Operations and Maintenance] funds that don't exist, so I don't know how they could have paid it. Somebody screwed up and it wasn't me because I don't do the paying, so I don't know how they could have paid the [FY]13—use [FY]13 money to pay a voucher that I submitted ... four months into [FY]14.

Discussion

Our preliminary investigation concluded that Ms. Loftus failed to conduct TDY travel in accordance with DoD and other Government standards. We also concluded that Ms. Loftus often arranged travel based on her personal convenience, preference, and her participation in an airline frequent flyer program. We concluded that Ms. Loftus' actions in a sample of 11 trips we reviewed resulted in at least \$7,052.59 in excess charges to the Government and \$2,775.30 in other charges for which Ms. Loftus did not submit appropriate receipts but was reimbursed, for a total of \$9,827.89 in reimbursements from the Government to which she was not entitled.

We found that from February 28, 2013, to November 22, 2014, Ms. Loftus conducted 26 TDY trips. We sampled 11 of the 26 trips and identified several travel irregularities.

GSA City-Pair Airfare

We conclude Ms. Loftus violated the JTR by failing to use GSA city-pair airfare when available.

We found Ms. Loftus traveled on United Airlines on occasions when lower-cost city-pair contracted carriers were available to her. We found that of the randomly selected 10 trips we reviewed that required airfare, she selected United Airlines 100 percent of the time. She asserted United Airlines has better routing, is less expensive than the city-pair options the DTS offered, and does not require luggage fees due to her frequent flyer status. We also found that Ms. Loftus booked her tickets an average 150 days in advance of travel.

We found that DTS requires travelers to submit explanations to justify decisions not to use city-pair flights. The JTR authorizes exceptions to the use of city-pair under specific enumerated conditions. It requires specific authorization and justification be shown on the traveler's orders. Ms. Loftus documented brief, often one-word justifications (for example, "authorized"), regarding her choice to use non-city-pair flights and provided no rationale for declining to purchase the less expensive city-pair CA fare when offered. We found that in the DTS pre-audit process, her AOs were reluctant to challenge her justifications or express concerns regarding her choice to use other than the city-pair carrier because she was a senior executive and their supervisor. We found no instance where Ms. Loftus provided specific conditions, as enumerated by the JTR, which offered justification for non-city-pair flights.

For her February 2014 trip to Guam, Ms. Loftus asserted that her staff would be entitled to stop en route for a rest period had she selected the city-pair flight instead of the non-city-pair flight. We found that both the non-city-pair flight she selected and the city-pair flight were about the same in overall trip duration. Further, we found no evidence that use of the city-pair flights would not have met her travel schedule, which provided a rest period before resuming work. We found that city-pair offered a CA fare to Guam for \$1,586 on Delta Airlines and that Ms. Loftus instead purchased an upgraded Y class seat status on United Airlines for \$3,115. The CTO agent could not establish that the city-pair CA fare was available to Ms. Loftus. However, the city-pair YCA fare of \$2,225 was available and was \$863 less expensive than the non-city-pair flight Ms. Loftus arranged. We found no evidence that Ms. Loftus paid the cost difference between the two alternatives but instead claimed and received reimbursement from the Government for such costs.

We found that Ms. Loftus selected a non-city-pair flight on United Airlines for \$3,433 for travel to Italy in May 2014. We also found that the available, lowest-cost round-trip city-pair flight was \$2,178 on Delta Airlines – a savings of \$1,255 over Ms. Loftus' selected flight. We found no evidence that Ms. Loftus paid the cost difference between the two alternatives but instead claimed and received reimbursement from the Government for such costs. We found that Ms. Loftus considered overall trip duration as a scheduling factor that affected her work. However, we were unable to collect historical flight data to confirm her assertion that the non-city-pair flight had a longer overall trip duration. We found that Ms. Loftus' travel authorization and travel voucher did not include justification for non-city-pair flight selection based on the city-pair flight's overall trip duration. Further, we found her justifications inaccurately portrayed that her non-city-pair selections were less expensive than the available city-pair options.

Further, we found that Ms. Loftus purchased a \$1,366 Y class round-trip ticket to Spain for travel in July-August 2014. We also found that the available CTO-offered flight was \$866 – a savings of \$500 over Ms. Loftus' selected flight. We found no evidence that Ms. Loftus paid the cost difference between the two alternatives but instead claimed and received reimbursement from the Government for such costs.

Finally, we found that Ms. Loftus purchased a non-city-pair flight on United Airlines for \$4,417 for travel to Italy in November 2014. We also found that the available CTO-offered flight was \$1,542 – a savings of \$2,875 over Ms. Loftus' selected flight. We found no evidence that Ms. Loftus paid the cost difference between the two alternatives but instead claimed and received reimbursement from the Government for such costs.

The JTR states:

- a Government traveler on official business must exercise care and prudence in incurring Government travel expenses.
- a traveler must use city-pair airfare for transportation where offered. While the JTR authorizes exceptions to the use of city-pair under specific enumerated conditions, it requires that the specific authorization and justification be shown on the traveler's orders.

- the use of city-pair airfare may involve connecting flights with one or more plane changes. Further, if the city-pair carrier offers both a city-pair YCA (Y class) and a CA (capacity-controlled) fare, the traveler must select the city-pair CA fare option. If the traveler selects city-pair YCA class airfare and a city-pair CA option is available, *the traveler is responsible to the Government for the cost difference between the two alternatives.* (emphasis added)
- a traveler is prohibited from choosing an air carrier based on personal preference or convenience, frequent flyer clubs, or other reasons. *A traveler is personally responsible for additional expenses to the Government accrued by not complying with the JTR.* (emphasis added)

We determined that Ms. Loftus routinely selected more expensive airfare on United Airlines than the lower-cost city-pair options available to her and accordingly failed to exercise prudence in TDY travel. We also determined Ms. Loftus intentionally disregarded the DTS pre-audit process and failed to provide adequate justification for more expensive non-city-pair airfare on her preferred airline, United Airlines. JTR Appendix P specifically prohibited Ms. Loftus from disregarding the city-pair program in favor of personal convenience, preference, and benefits accruing from her United Mileage Plus Premier status. We determined that in TDY air travel we reviewed, Ms. Loftus chose United Airlines or non-city-pair flights for personal convenience, preference, and her participation in United Airlines' frequent flyer club or benefit.

We determined that Ms. Loftus and her staff had sufficient rest periods scheduled before and after travel to Guam in February 2014. We determined, based on the non-city-pair flight she selected (United Airlines), that she had at least 1-day rest period prior to conducting official duties in Guam and another 1-day rest period upon returning to Washington, D.C. We also determined the less expensive city-pair flight she refused (Delta Airlines) was the quickest overall option. Ms. Loftus testified that she and her staff would have been entitled to an additional rest period en route if they had taken the city-pair flight. However, we determined that Ms. Loftus and her staff would not have been entitled to an en route rest period, and this was not an appropriate justification for selecting United Airlines rather than the available Delta Airlines city-pair flights. We determined Ms. Loftus canceled her non-city-pair ticket with United Airlines in order to purchase a more expensive Y class airfare on the same flight. We determined that the non-city-pair flight she selected, including her \$500 Y class upgrade, cost the Government \$863 more than the available YCA city-pair flight.

We determined that the non-city-pair flight Ms. Loftus selected for travel to Italy in May 2014 cost the Government \$1,255 more than the city-pair flight.

We also determined that the \$1,366 Y class ticket Ms. Loftus purchased for travel to Spain in July-August 2014 cost the Government \$500 more than the CTO-offered flight.

Further, we determined the \$4,417 flight Ms. Loftus selected for travel to Italy in November 2014 cost the Government \$2,875 more than the CTO-offered flight.

Finally, we determined in the limited sampling of travel we reviewed that Ms. Loftus' failure to use city-pair airfare and her selection of Y class tickets cost the Government no less than \$5,493 more than if she had complied with the JTR. Our preliminary investigation determined that in the 11 trips we reviewed, Ms. Loftus received \$9,827.89 in total reimbursements from the Government to which she was not entitled.

Ms. Loftus' Response to Preliminary Conclusions

Following our established practice, by letter dated February 25, 2015, we provided Ms. Loftus the opportunity to comment on the preliminary results of our investigation. In her response, dated March 27, 2015, Ms. Loftus contested our preliminary findings and conclusion.

Ms. Loftus asserted that our preliminary report misstated United Airlines policy regarding instant upgrade benefits provided to "Premier" frequent flyers traveling on full-fare economy Y class tickets on select flights. She stated, in part, the United Airlines upgrade policy in this circumstance is limited to CONUS routes only, not to include San Francisco and Los Angeles, CA.

We note that Ms. Loftus testified she is a "Premier 1K" United Airlines' frequent flyer, and as such is eligible for an upgrade on any United Airlines flight, including capacity controlled (CA) flights. Further, she testified she had 15 "Global Premier Upgrades" associated with her Premier 1K status, which provides her a one-cabin upgrade for any United Airlines flight worldwide.¹³ Accordingly, we determined her particular frequent flyer status with United Airlines provided her upgrade options to routes not otherwise restricted.

Ms. Loftus asserted that some of the city-pair CA base fare figures and calculations shown in Table 4 were in error. She stated the CA base purchase price for her March 2014 flight to Jacksonville was \$366.00 and not \$387.80, and the CA base purchase price for her January 2014 trip to Hawaii was \$980.00 and not \$768.00. We agreed with her figures and made corrections to Table 4.

She stated we incorrectly calculated the city-pair CA base fare for her January 2014 TDY to San Diego as originating from Reagan International and not the airport she actually used, Dulles International. We note that the flight she selected on United Airlines, regardless of departure airport, was not a city-pair option. Further, she testified she selected flights based on "what gets me there the quickest." Accordingly, we found the only non-stop city-pair CA base fare for this TDY was a \$400 U.S. Airways flight departing from Reagan International. We note Ms. Loftus' DON-SAPRO travel companion selected this U.S. Airways CA fare for the same TDY travel, yet Ms. Loftus selected a more expensive, non-city-pair flight on United Airlines. Accordingly, we did not change the calculations in Table 4 regarding her January 2014 trip to San Diego.

¹³ United Airlines' loyalty programs provide that eligible Premier 1K members receive Global Premier Upgrades, which are "one-way, one-cabin upgrades, confirmable as early as time of ticketing on all United ... operated flights systemwide."

The Table 4 calculations in our preliminary report provided Ms. Loftus the broadest consideration that city-pair CA fares may not have been available at the time she booked and purchased flights. Accordingly, the two corrections to city-pair CA figures noted above did not alter our preliminary conclusion regarding the excess cost to the Government from Ms. Loftus' TDY airfare.

Regarding CTO communications with Ms. Loftus' EA, Ms. Loftus responded, "I have no knowledge of what transpired between CTO and someone [sic]— since I have no EA, I am not sure who this refers to." The person we identified as Ms. Loftus' EA throughout the preliminary report testified, "I am the executive assistant to Ms. Loftus. I do travel in our office." Further, this person's Government email signature block identified her as "Executive Assistant, Department of the Navy, Sexual Assault Prevention and Response Office." Accordingly, we made no charges in this matter.

The preliminary report discussed Ms. Loftus' November 2014 trip to Italy. Ms. Loftus re-booked this trip on September 30, 2014, 5 days after our investigators interviewed her and inquired regarding her non-city-pair selection for this trip. Travel records and GTCC statements reveal she re-booked the flight on United Airlines for \$2,880. The GSA YCA city-pair for this flight included a Delta Airlines segment and cost \$2,553. Consequently, her choice of a non-city-pair flight resulted in excess cost to the Government of \$327, and she again disregarded the JTR to select her preferred airline.

In her response to our preliminary report, Ms. Loftus stated she did not select the Delta Airlines city-pair flight for her November 2014 trip to Italy because the Delta Airlines flight connected at the Fiumicino Airport, Rome, Italy. She claimed the Fiumicino Airport is "incompatible with carrying out any [TDY] mission," in part due to her experience with delayed luggage at that airport. We note the JTR does not provide exemptions from using city-pair flights based on airport connection preferences, negative prior experiences with an airport, or other personal convenience concerns.

Since Ms. Loftus re-booked her November 2014 flight to Italy after our interview with her, we revised our calculations of excess cost to the Government based on this new information. We determined in the limited sampling of travel we reviewed that Ms. Loftus' failure to use city-pair airfare and her selection of Y class tickets in violation of the JTR resulted in an excess cost to the Government of at least \$2,945.

Accordingly, having carefully considered the evidence, including additional facts gathered to address Ms. Loftus' response to our preliminary report, we stand by our original conclusion that Ms. Loftus violated the JTR by failing to use GSA city-pair airfare when available.

Rental Cars

We conclude that Ms. Loftus violated the JTR by not renting a car from the least expensive vendor and charging the Government for excessive fuel expenses and rewards point transfer fees to her United Mileage Plus account.

We found that while conducting TDY travel to Hawaii in 2014, Ms. Loftus rented a Hertz rental car \$140.72 more expensive than a comparable available car from a different rental car vendor DTS identified to her.

Ms. Loftus testified she drove her rental car approximately 12 miles during a TDY trip to Hawaii. We found that on her voucher she requested and received reimbursement for \$70.29 in fuel expenses. While on TDY travel in Guam in 2014, Ms. Loftus drove a rental car 22 miles and claimed and was reimbursed \$32.48 in fuel expenses. We found that while conducting TDY travel to San Diego, CA, in 2014, Ms. Loftus drove a rental car 38 miles and claimed \$46.63 in fuel expenses, which the Government reimbursed.

Overall, we found Ms. Loftus rented a car for 15 days, drove 72 miles, and claimed \$149.40 in fuel expenses. We found she requested, and the Government reimbursed, approximately \$2.08 in fuel expenses for each mile she drove a rental car.

Finally, we found that during TDY travel in Hawaii and San Diego, she requested and received reimbursement from the Government for a total of \$10.50 in fees Hertz charged to transfer Hertz Gold Plus Rewards points earned from her Government rental to her personal United Mileage Plus account.

The JTR requires that travelers exercise the same care and regard for incurring Government travel expenses as a prudent person traveling at personal expense. The JTR also states that a good steward of Government funds uses the least expensive rental car, both in terms of renting compact cars and using the least expensive vendor.

We determined that Ms. Loftus did not exercise prudence in travel or good stewardship of travel funds when she rented a car with Hertz that was \$140.72 more expensive than the rental car DTS offered her from another vendor. We also determined that Ms. Loftus did not exercise prudence when she claimed and received excessive fuel cost reimbursements for the mileage driven – a total of \$149.40 or about \$2.08 per mile in fuel charges alone. Finally, we determined she improperly claimed and received reimbursement for \$10.50 in fees Hertz charged to transfer Hertz Gold Plus Rewards points to her personal United Mileage Plus account.

Ms. Loftus' Response

Ms. Loftus stated our preliminary report did not clearly state the Hertz "fuel and service" fees included the cost of labor associated with refueling. We note that Hertz identified the labor and fuel costs associated with full-service refueling as a "fuel and service" fee. We determined Hertz' nomenclature for this fee is self-explanatory and required no further clarification. We

also note that prudent Government travelers can avoid such extra fees by refueling vehicles personally at self-service prices before returning them to the airport or other rental office.

Accordingly, we stand by our original conclusion that Ms. Loftus violated the JTR by not renting a car from the least expensive vendor and charging the Government for excessive fuel and service expenses and rewards point transfer fees to credit her United Mileage Plus account.

Lodging

We conclude Ms. Loftus violated the DoD FCG and JTR by failing to make lodging reservations through the appropriate office in Bahrain, thereby incurring an excess charge to the Government totaling \$935.91.

We found that Ms. Loftus conducted TDY travel to Bahrain and made her own lodging reservation with the Radisson Diplomat hotel rather than through the NSA Bahrain NGIS. We found that NSA Bahrain NGIS had a contract with the Radisson Diplomat Hotel for a Government traveler rate of \$172.87 per night, inclusive of taxes, \$99.13 per night less than the FY 2014 per diem rate of \$272. We also found that Ms. Loftus claimed and received reimbursement of \$2,146 for this lodging stay, which cost the Government \$935.91 more than the NGIS contract rate of \$1,210.09. We found no AEA justification in Ms. Loftus' DTS travel documents that presented exceptional circumstances exempting Ms. Loftus from complying with the DoD TCG.

The DoD FCG requires that all TDY travelers to Bahrain make lodging reservations through the NSA Bahrain NGIS local billeting office. The JTR requires that lodging reimbursement not exceed actual lodging costs or the applicable maximum amount unless an AEA is prescribed and approved.

We determined that by making her own lodging reservation, Ms. Loftus cost the Government \$935.91 more than if she had complied with the DoD FCG.

Ms. Loftus' Response

Ms. Loftus stated her lodging costs were within the authorized daily per diem lodging rate of \$272, and she is not required to spend less than the maximum lodging per diem rate. She added she is "in full compliance with Federal law – law that cannot be countermanded by a clearance guide note on who makes the lodging arrangement [emphasis in original]."

She stated she personally contacts the Commander, U.S. Naval Forces Central Command/United States Fifth Fleet/Combined Maritime Forces, prior to any visit to Bahrain and that such contact relieves her of any obligation to comply with the FCG.

As noted in Appendix A of our preliminary report, DoD Directive 4500.54E, "DoD Foreign Clearance Program (FCP)," dated December 28, 2009, applies to all Military Departments. The Directive is implemented by the DoD FCG, which "is directive in nature for all DoD and DoD-sponsored travel abroad," and requires DoD travelers to make lodging

reservations through NSA Bahrain NGIS. Compliance with the DoD FCG is not optional, and the DoD FCG does not authorize personal communications with local commands as substitutes for compliance.

Accordingly, we stand by our original conclusion that Ms. Loftus violated the DoD FCG and JTR by failing to make lodging reservations through the appropriate office in Bahrain, thereby incurring an excess charge to the Government totaling \$935.91.

Claim for Currency Conversion Fees

We conclude that Ms. Loftus violated the FMR by improperly claiming currency conversion fees charged to her personal credit card.

We found that Ms. Loftus was not exempt from using the GTCC to pay for all official travel expenses. We found that Ms. Loftus used her personal credit card to purchase foreign currency incident to TDY travel to Bahrain and requested Government reimbursement of the \$66.46 exchange fee. Other than the lodging expense paid with her GTCC, Ms. Loftus' travel voucher did not document any expenses in Bahrain beyond the Government allowable M&IE, which she was paid. Further, travel documents showed she used her GTCC to pay for airfare and lodging incident to the TDY trip but not meals.¹⁴

The GTCC is the GSA contractor-issued charge card Government travelers are required to use for all official travel expenses. We found no evidence that Ms. Loftus received an exception from the requirement to use the GTCC for official travel expenses.

We were unable to determine the U.S. dollar amount Ms. Loftus converted to Bahraini dinars.

The FMR requires DoD personnel to use the GTCC for all official Government travel expenses.

We determined that Ms. Loftus improperly claimed and received reimbursement for the \$66.46 conversion fee charged to her personal credit card. Accordingly, we determined the \$66.46 conversion fee was a personal expense for which she was not entitled to reimbursement from the Government.

Ms. Loftus' Response

Ms. Loftus stated she prefers to use cash while TDY in Bahrain because:

When I travel to Bahrain, I eat in places that either do not accept the [GTCC] or where the [GTCC] vendor (Citicard) rejects

¹⁴ The DoD Financial Management Regulation, Volume 9, Chapter 3, dated August 2011, requires DoD travelers to use their GTCC to purchase meals while in TDY status unless it is impractical.

payment on the spot. I recently had Citibank refuse payment when I tried to use my [GTCC] at a Safeway in Hawaii to buy groceries, so the use of the [GTCC] for food at my favorite Al Jazira Supermarket or dining places such as Shawarma Alley, Al Hantor, Awali, Al Furqaan, Isfahani, Abd El Wahab, or Anwar Paris is 'impractical' at best.

We contacted a DoD civilian in Bahrain whose official duties include frequent interaction with thousands of DoD travelers who conduct official business in Bahrain. The witness stated he "never heard of anyone having issues with [the GTCC in Bahrain]." He added:

There could be instances in Bahrain where a restaurant does not accept credit card and works strictly on cash due to processing fees, or maybe they push people to pay cash even though they do accept credit cards to avoid the fees.

We carefully considered Ms. Loftus response and determined she offered no evidence, nor did we find evidence, to support her assertion that the GTCC is widely rejected in Bahrain to an extent requiring her to convert and carry sums of cash and that doing so to dine at her "favorite" establishments is a personal preference and not due to impracticality of GTCC use.

Accordingly, we stand by our original conclusion that Ms. Loftus violated the FMR by improperly claiming currency conversion fees charged to her personal credit card as official travel expenses.

POV Parking at Airport Terminal

We conclude that Ms. Loftus failed to exercise prudence in travel by parking routinely at more expensive airport parking rather than available economy parking.

We found that Ms. Loftus routinely parked her POV in the Dulles International terminal parking garage at a rate of \$17 per day. In the 10 TDY trips we reviewed that required air travel, we found that Ms. Loftus parked her POV at the terminal garage a total of 53 days at a cost to the Government of \$901. We found that the parking rate in the Dulles economy lot is \$10 per day. The difference in cost to the Government for Ms. Loftus to park in the terminal garage was \$371 more than economy parking. We found Ms. Loftus cited personal safety concerns and convenience due to baggage as justifications for the additional \$371 in parking expenses for which she requested and received reimbursement.

The JTR requires travelers to exercise the same care and regard for incurring Government travel expenses as a prudent person traveling at personal expense. The JTR states that use of the least expensive parking, ordinarily the long term lot, when parking at an airport terminal is an example of good stewardship of limited travel funds.

We determined that Ms. Loftus failed to exercise prudence in travel and good stewardship of travel funds in her choice to routinely park in the more expensive terminal garage when conducting official travel, at an excess cost to the Government of \$371.

Ms. Loftus' Response

Ms. Loftus restated that "every one of my colleagues" use the more expensive Dulles Airport terminal parking garage when conducting TDY travel. Subsequent to our September 2014 interviews with Ms. Loftus regarding this subject, she filed a travel voucher that further clarified her position regarding the Dulles economy parking lot:

... DoDIG has opined that parking in the covered garage is not cost-efficient since long term gravel lot parking is \$3 cheaper ... I am traveling to and from [the] airport during darkness and the long term far-away economy lot is not patrolled, not well-lit and generally not safe ... I am not going to risk my safety by parking in the hinterlands at Dulles and I am not going to be criticized for using covered garage parking.

As noted in our preliminary report, the difference between the two parking lots is \$7 per day, not \$3. Further, the Dulles economy parking lot is paved, fully landscaped, is equipped with lights throughout, and is serviced by shuttles to terminals at regular intervals. Ms. Loftus provided no evidence the Dulles economy parking lot is unsafe or dangerous, necessitating more expensive parking options at Government expense.

We have no objection to her use of the covered parking garage; however, based on these facts and circumstances Ms. Loftus is not entitled to Government reimbursement for a more expensive parking option than is otherwise authorized. Accordingly, we stand by our original conclusion that Ms. Loftus failed to exercise prudence in travel by parking routinely at more expensive airport parking rather than available economy parking.

Amtrak Premium Class Transportation

We conclude that Ms. Loftus violated the JTR by traveling in premium class accommodations without authorization when coach class was available.

We found that Ms. Loftus purchased a one-way Amtrak business class accommodation from Trenton, NJ, to Washington, D.C., for travel on April 29, 2014. Ms. Loftus' DTS documents do not offer justification or authorization for the premium class accommodation. Ms. Loftus testified that she assumed coach seats were not available because she purchased her tickets "late." However, we found that Ms. Loftus purchased her rail fare more than 1 month in advance of travel, and coach class seats were available for purchase from Trenton, NJ, to Washington, D.C., when she booked travel. She requested and received Government reimbursement of \$35 for the business class seat assignment.

The JTR requires travelers to use economy or coach class accommodations unless other accommodations are authorized. Further, the JTR requires that travelers exercise the same care and regard for incurring Government travel expenses as a prudent person traveling at personal expense. The JTR also states that the traveler is personally financially responsible for any expense incurred by not complying with the JTR. We determined that Ms. Loftus' trip from Trenton, NJ, to Washington, D.C., by means of an unauthorized and more expensive business class seat assignment, violated the JTR.

Ms. Loftus' Response

Ms. Loftus stated the cost of her April 29, 2014, rail fare from Trenton, NJ, to Washington, D.C., was "in reality \$132." She provided her Amtrak receipt which showed she purchased a \$71 coach fare and \$35 business class seat assignment for a total \$106 rail fare from Trenton, NJ, to Washington, D.C. She also noted an Amtrak fare schedule she provided us, dated September 24, 2014, showed one-way coach seats offered from \$71 to \$139 for this segment, depending on departure time.

We determined Ms. Loftus arrived at the notional \$132 fare from Trenton, NJ, to Washington, D.C., by dividing her round-trip fare (\$264) by two, which is not how Amtrak billed the trip. Her Amtrak receipt showed she purchased a \$71 coach fare and added a \$35 business class seat assignment. As previously stated in this report, Amtrak offered Ms. Loftus an available \$71 coach class fare for this segment, which she rejected.

Accordingly, we stand by our conclusion that Ms. Loftus violated the JTR by traveling in premium class accommodations without authorization when coach class was available.

Receipts

We conclude that by failing to file appropriate receipts, Ms. Loftus violated the JTR and FMR, and received reimbursement to which she was not entitled.

In reviewing 11 vouchers Ms. Loftus submitted in support of reimbursement for TDY travel expenses, we found five missing receipts, each individually over \$75 and totaling \$2,775.30 in the aggregate. We found that Ms. Loftus submitted claims to the Government for reimbursement absent required receipts, her AOs approved the vouchers, and the Government reimbursed her fully for all claims.

The JTR requires travelers to provide receipts for each lodging and individual expense of \$75 or more within 5 working days after returning from TDY travel. The FMR states that a receipt is a legibly written or printed document provided by the vendor to a customer. We determined that Ms. Loftus was not entitled to reimbursement totaling \$2,775.30 because she failed to submit five receipts supporting her claims for reimbursement as the JTR and FMR require.

Ms. Loftus' Response

Ms. Loftus provided four of the five missing or illegible receipts we identified in our preliminary report. As discussed previously in this report, the \$87.92 claim included a \$66.46 currency conversion fee charged to her personal credit card that was a personal expense for which she was not entitled to reimbursement from the Government. Ms. Loftus did not provide this receipt. However, since the \$66.46 claim is invalid, no receipt is required.

We amend the number of receipts Ms. Loftus failed to submit from five to four, which also reduced the total reimbursement she received from the Government for those claims to \$2,708.84.

We stand by our conclusion that by failing to file appropriate receipts with her vouchers, Ms. Loftus violated the JTR and PMR, and received reimbursement to which she was not entitled.

Improper Execution of Travel Funds

We conclude Ms. Loftus improperly received reimbursement for airline tickets purchased in FY 2013 using FY 2013 funds for travel conducted in FY 2014, in violation of Title 31 U.S.C.

We found that Ms. Loftus used local travel vouchers to claim and receive reimbursement in FY 2013 for airline tickets she purchased in FY 2013 using FY 2013 funds but traveled months later in FY 2014. Further, we found that Ms. Loftus was aware of instances that her TDY travel crossed fiscal years and asserted she intended to properly account for those instances during her post-TDY voucher process. We found she did not amend the line of accounting for the applicable fiscal year.

Title 31 U.S.C. 1341, "Limitations on expending and obligating amounts," states that a Government employee may not make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation. Further, 31 U.S.C. 1502, "Balances available," states the balance of an appropriation or fund limited for obligation to a definite period is available only for payment of expenses properly incurred during the period of availability.

We determined Ms. Loftus improperly received reimbursement for airline tickets purchased in FY 2013 using FY 2013 funds for travel conducted in FY 2014, in violation of 31 U.S.C. 1341. Further, we determined the use of local vouchers to purchase worldwide airline tickets months in advance is not expressly prohibited by a DoD standard. However, Ms. Loftus' practice to use local vouchers to purchase airline tickets for travel months in advance created the circumstances that led to improper execution of travel funds by crossing fiscal years without an approved line of accounting in the applicable fiscal year.

Ms. Loftus' Response

Ms. Loftus stated that Naval Supply Systems Command (NAVSUP) awarded a contract to provide Sexual Assault Bystander Intervention training, and her office is required to be present at all "overseas venues." She stated NAVSUP determined current fiscal year funds are authorized to pay for future years' contract performance, and she used the same line of accounting that NAVSUP used to pay for the contract.

Ms. Loftus provided no evidence to support her assertion regarding NAVSUP's fiscal year bona fide need determinations as it applies to TDY travel. Further, the governing travel standards require TDY travel expenses to be charged to the appropriation current in that fiscal year. Finally, the DON-AA audit of the two travel vouchers associated with this allegation included one TDY trip that involved only CONUS travel. The DON-AA audit showed both TDY trips improperly executed travel funds and violated governing travel standards.

Accordingly, we stand by our original conclusion that Ms. Loftus improperly received reimbursement for airline tickets purchased in FY 2013 using FY 2013 funds for travel conducted in FY 2014, in violation of Title 31 U.S.C.

We carefully considered Ms. Loftus' response to our preliminary investigation results. We reevaluated the evidence and provided Ms. Loftus the broadest consideration with respect to several points she presented in her response. We stand by our conclusion that Ms. Loftus failed to conduct TDY travel in accordance with DoD and other Government standards.

However, based on Ms. Loftus' comments and additional fieldwork we conducted, we revised our figure for the total amount of reimbursements Ms. Loftus received from the Government to which she was not entitled from \$9,827.89 to \$7,213.43.

V. CONCLUSION

We conclude that Ms. Loftus failed to conduct TDY travel in accordance with DoD and other Government standards. The 11 trips we reviewed resulted in \$4,504.59 in excess charges to the Government and \$2,708.84 in other claims for which Ms. Loftus did not provide required receipts, for a combined total of \$7,213.43 in reimbursements Ms. Loftus received from the Government to which she was not entitled.

VII. RECOMMENDATIONS

We recommend:

A. The Secretary of the Navy consider appropriate corrective action regarding Ms. Loftus.

B. The Department of the Navy, Office of Financial Operations, audit all official travel by Ms. Loftus and her staff to determine the full amount she and members of her staff may owe.

the Government for travel expense reimbursements they received but to which they were not entitled.

Appendix A

Standards

Pertaining to the allegation that
Ms. Loftus did not travel TDY in accordance with DoD standards

The Joint Travel Regulations, Volume 2, "Department of Defense Civilian Personnel," dated January 1, 2014.¹

Paragraph C1005, "Prohibition Not Stated," states that just because a prohibition is not stated does not mean that an allowance exists or may be authorized (e.g., the philosophy of "It doesn't say I can't therefore I can" does not apply to the JTR) (emphasis in original).

Paragraph C1115, "A Typical Business Trip," states that a traveler is required to provide receipts for lodging and individual expenses of \$75 or more to the travel voucher within 5 working days after returning from the trip. This standard further requires the traveler submit receipts for transportation tickets of \$75 or more.

Paragraph C2000, "Obligation to Exercise Prudence in Travel," requires that the traveler exercise the same care and regard for incurring Government travel expenses as a prudent person traveling at personal expense. This standard identifies examples how travelers can be good stewards of Government funds, including:

- Use of the least expensive parking (ordinarily the long-term lot) when parking at the airport terminal.
- Use of the least expensive rental car (both in terms of using the "standard" compact size and the least expensive vendor)
- Scheduling travel as early as possible to take advantage of the best offered fare (such as CA airfare in lieu of more expensive YCA airfare)

Paragraph C2105, "Economy Class Accommodations," states that a traveler must use economy or coach class accommodations unless other accommodations are authorized.

Paragraph C2125, "Traveler Financial Responsibility," states that the traveler is personally financially responsible for any expense accrued by not complying with the JTR.

Paragraph C2710, "Receipt Requirements," states that a receipt must show when specific services were rendered, when articles were purchased, and the unit price.

Paragraph C3005, "Travel and Transportation Policy," requires travelers to "exercise the same care in incurring expenses as would a prudent person traveling on personal business at personal expense" (emphasis in original). Further, this standard requires travelers to use the least expensive unrestricted economy/coach class transportation accommodations unless

¹ On October 1, 2014, the JTR Volumes 1 and 2 merged into one document for both uniformed Service members and DoD Civilians. For the purposes of this investigation, we used the JTR in effect at the time the events occurred.

otherwise specifically authorized under the JTR. It further states that City-Pair airfares should be used for transportation where it is offered. Paragraph C3045 explains that a City-Pair airfare is considered available if a contract airfare is offered between origin and destination. The airfare may involve connecting flights with one or more plane changes, but all included in one City-Pair arrangement.

Paragraph C3225, "Transportation Mode Selection," states that if the City-Pair carrier offers both a YCA and CA airfare, and the CA airfare is available when the traveler makes the reservations, the CA airfare (which is less expensive than the YCA airfare) "must be selected."

Paragraph C3330, "Selecting a Rental Vehicle," states the lowest cost rental car service meeting mission requirements must be selected for commercially rented cars. It adds that the AO may approve an appropriately sized rental car in accordance with mission requirements "when a compact car (the 'standard' for TDY travel) does not meet the requirement."

Paragraph C4050, "Per Diem," states that per diem rates include a maximum amount for lodging expenses. Reimbursement may not exceed actual lodging costs nor the applicable maximum amount unless an actual expense authorization (AEA) is prescribed.

Paragraph C4130, "TDY Lodging," states that per diem rates include a maximum amount the Government will reimburse for lodging expenses. Further, reimbursement may not exceed actual lodging costs or the applicable maximum amount unless an AEA is prescribed. Also, Subparagraph D states that lodging tax in a foreign area is *not* a reimbursable expense when per diem is paid (emphasis in original).

Part C, "AEA," Paragraph C4300, "General," provides that an AEA allows a traveler to be reimbursed in unusual circumstances for actual and necessary expenses that exceed the maximum locality per diem rate.

Paragraph C4305, "Justification," states that an AEA may be authorized when the per diem rate is insufficient for part, or all, of a travel assignment. Sub-paragraph C4305 (b), "Reasons for authorizing/approving AEA," includes the following:

- Actual and necessary expenses (especially lodging) exceed the maximum per diem
- Special duties require such authorization; or
- Costs associated with specific functions or events have escalated temporarily due to special or unforeseen events.

Paragraph C4315, "Limitations," Sub-paragraph B, "Personal Preference or Convenience," states that a traveler is financially responsible for excess costs and additional expenses incurred for personal preference or convenience associated with lodging choice.

Paragraph C4320, "AEA Determination," states that a TDY assignment to a location at which the transportation cost to commute to and from the less expensive lodging facility would be more expensive than using less expensive lodging may warrant AEA authorization.

Paragraph C4415, "Travel During Rest Hours, A Rest Period at a TDY Point After Arrival, or an En Route Rest Stop," states that en route rest stops are not automatic and must be used only when warranted. It provides that when scheduling flights of 14 or more hours, the first choice is to use economy/coach class and arrive the day before the TDY begins, to allow for appropriate rest. A rest stop is not authorized if the traveler traveled by first or business class. Further, the flight length is not sufficient justification to authorize an en route rest stop. That is, the flight length justification must include that the TDY mission was so unexpected that the traveler was unable to schedule a flight arriving the day prior to allow rest before starting work. Further, an en route rest stop is not authorized for the return flight if the traveler can rest before reporting to work.

Appendix G, "Reimbursable Expenses on Official Travel"

A traveler who pays with a credit card for OCONUS expenses should check with the credit card vendor to determine the final bill in U.S. currency prior to travel claim submission. The currency exchange rate at which the credit card bill was settled may be used to determine OCONUS expenses charged to the card. When the actual amount in U.S. currency is not known until after the required travel claim submission date, a traveler should be personally aware of any financial regulations that require submission of a supplemental voucher if the amount submitted as expenses differs from the actual amount billed on the initial travel claim.

Appendix P, "City-Pair Program"

DoD Travelers are expected to select contract City Pair carriers. Part I, Paragraph A.7, mandates specific requirements for a traveler's use of non-contract fares. It expressly states that "**Carrier preference is not a valid reason for using a non-contract airfare**" (emphasis in original).

Part II, Paragraph B.2, prohibits a traveler from choosing not to use a contract carrier because of personal preference, frequent flyer clubs, and other reasons. This paragraph provides specific exceptions to the use of contract carriers, including the following travel conditions which must be certified by the traveler or authorizing official on the travel order or authorization:

- Space or scheduled flight is not available in time to accomplish the travel purpose, or contract service would require the traveler to incur unnecessary overnight lodging costs that would increase the total trip costs.
- The contract carrier's flight schedule is inconsistent with explicit policies of individual federal departments and agencies to schedule travel during normal working hours; or
- A U.S. certified non-contract carrier offers a lower airfare available to the general public, the use of which results in a lower total trip cost to the Government, to include combined costs of transportation, lodging, meals, and related expenses.

Part II, Paragraph A1, states that "a traveler is expected to select the contract carrier." Further, the JTR defines City-Pair airfare rates as follows:

- YCA Fare: Guaranteed Government Services Agency (GSA) economy or coach class City-Pair airfare which is a highly discounted unrestricted airfare. If the Government contract City-Pair carrier offers a lower cost capacity-controlled coach class contract fare than the unrestricted YCA fare, the traveler should use the lower cost capacity-controlled fare when it is available and meets mission needs. "**Personal frequent flyer or mileage reward points use [in connection with] official travel is not a valid reason to request a YCA airfare when a -CA airfare is available**" (emphasis in original). The standard states that if a traveler selects YCA when a lower cost airfare is available, "**the traveler is responsible to the Government for the cost difference**" between the YCA airfare and the less expense available alternative (emphasis in original).
- CA Fare: Limited capacity, GSA coach or economy class City-Pair airfare which is a capacity controlled airfare with a deeper discount preferred by the Government.

The city pair airfare program encourages a Government traveler to book reservations as early as possible. Once a traveler decides that a trip is necessary, the reservation should be made. The earlier the reservation, the better the chances are that the agency can receive the additional savings of CA Fares.

DoD 7000.14-R, "Department of Defense Financial Management Regulation (FMR)," Volume 9, Chapter 2, "Defense Travel System," August 2011

Paragraph 020302(d) states the traveler is required to provide justification to the AO in the comment field of an authorization, amendment, or voucher for variations from policy and/or any substantial variances between an authorized "should cost" estimate and the final travel claim.

DoD 7000.14-R, FMR, Volume 9, Chapter 3, "Department of Defense Government Travel Charge Card (GTCC)," July 2013

Paragraph 030101 states it is DoD policy that the GTCC will be used by all DoD personnel to pay for all costs related to official Government travel. Official Government travel is defined as travel under competent orders while performing duties pertaining to official Government assignments such as TDY travel.

Paragraph 030501 states that unless otherwise exempt, all DoD personnel are required to use the GTCC for all authorized expenses relating to official Government travel.

"Definitions," states that a receipt is a legibly written/printed/electronic document provided by a vendor to a customer. To be considered valid, a receipt must contain the name of the entity providing the good(s) or service, the date(s) that the good(s) or service was provided or

purchased, the price of the good(s) or service, any tax levied, the total monetary amount due, and must indicate that the total monetary amount due was paid.

Title 31, United States Code, Section 1341 (31 U.S.C. §1341), "Limitations on expending and obligating amounts," states that a Government employee may not make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation.

31 U.S.C §1502, "Balances available," states that the balance of an appropriation or fund limited for obligation to a definite period is available only for payment of expenses properly incurred during the period of availability."

DoD Directive 4500.54E, "DoD Foreign Clearance Program (FCP)," December 28, 2009

This Directive authorizes the publication of a DoD Foreign Clearance Guide which details travel clearance procedures for all DoD personnel. The Directive applies to all Military Departments.

DoD Foreign Clearance Guide²

The FCG states that all DoD travelers entering Bahrain are required to obtain a country clearance at least 30 days prior to entry. Further, it requires that "ALL lodging reservations" must be made through the Naval Support Activity Bahrain local billeting office (emphasis in original). Further, the FCG states that "Since the DoD FCG is directive in nature for all DoD and DoD-sponsored travel abroad, travelers must ensure they comply with this Guide" (emphasis in original).

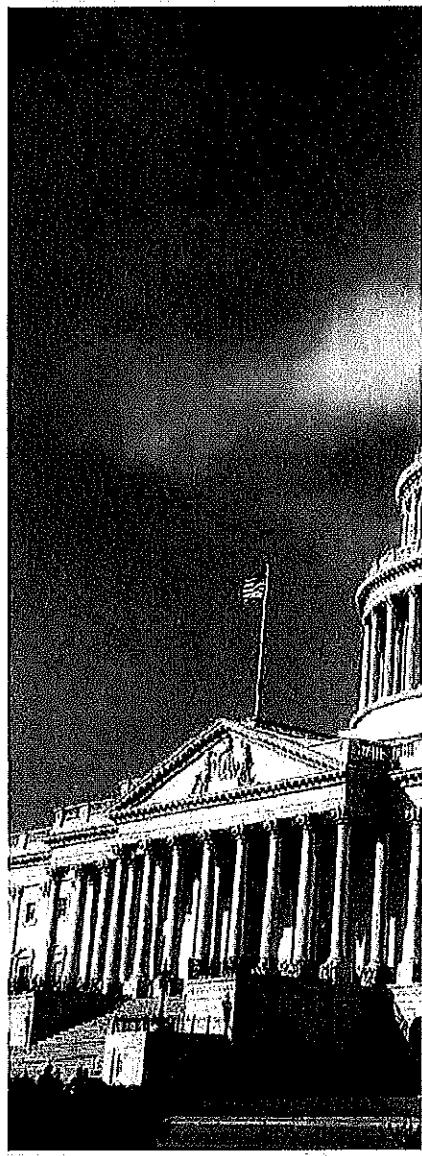
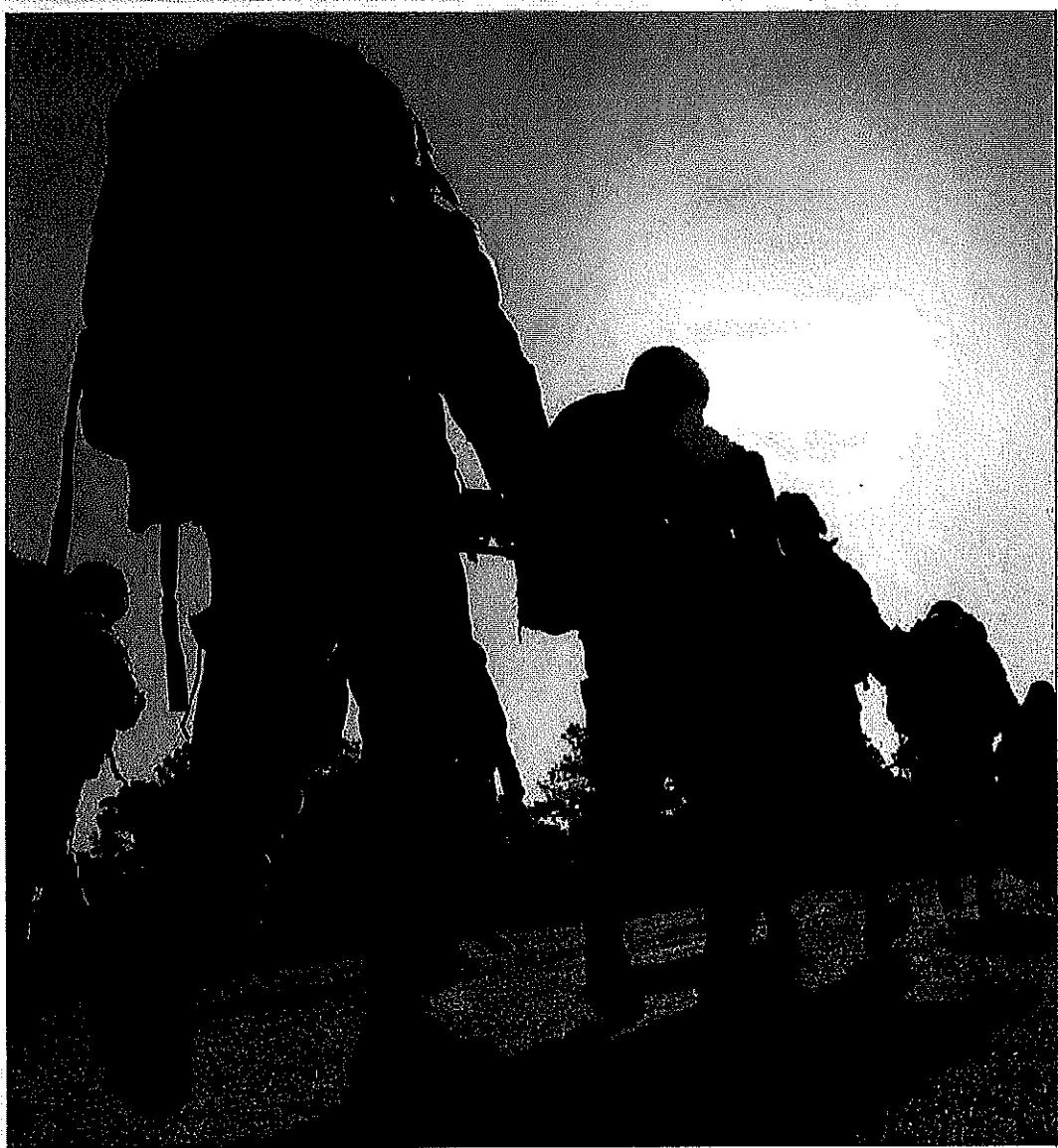
Defense Travel Management Office (DTMO) Policy Branch, "Frequently Asked Questions on Required Receipts," February 26, 2008

The DTMO defines a valid receipt as a "written acknowledgment that the vendor has been paid for providing goods or services." The DTMO adds that the Internal Revenue Service requires travel expenses to be documented before travel reimbursements can qualify as non-taxable payments. Accordingly, the GTCC statement does not provide the level of detail required to suffice as a proof of payment for travel voucher purposes.

² The Foreign Clearance Guide is continually updated electronically at www.fcg.pentagon.mil. The FCG requirements pertaining to travel to Bahrain were applicable prior to the three trips Ms. Loftus conducted to that country from 2013 - 2014.

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